

**THE COMMONWEALTH
OF
MASSACHUSETTS**

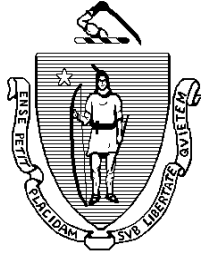
**FY2002 CLOSING/FY2003 OPENING
INSTRUCTIONS**

MMARS, PCRS, HR/CMS, E*MPAC

ISSUED BY:

OFFICE OF THE COMPTROLLER

APRIL 24, 2002



MARTIN J. BENISON
COMPTROLLER

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TO: Legislative Leadership, Judicial Branch Administrators, Elected Officials, Cabinet Secretaries, Department Heads, Chief Fiscal Officers, Payroll Directors and MMARS Liaisons

FROM: Martin J. Benison, Comptroller

DATE: April 24, 2002

RE: FY2002 Closing/FY2003 Opening Instructions and Related Guidance

Comptroller Memo FY# 2003-02

Executive Summary

For many years the Comptroller's Office has organized and coordinated the distribution of materials related to FY Closing/Opening.

Enclosed is the updated Closing/Opening Instructions, which is being issued electronically in Microsoft Word 2000 format for dissemination to all relevant personnel in your Department.

To view this document you must have Microsoft Word 97.

There are two ways this document will be distributed:

1. The documents will be sent to MMARS Liaisons, Department CFOs and Payroll Directors on E-mail. MMARS Liaisons are responsible for ensuring distribution of these documents to Department staff.
2. The documents may be downloaded from the Comptroller's web server at: <http://www.mass.gov/osc>.

If you have any questions about the distribution process, please call the MMARS Helpline at 617-727-5995.

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SECTION 1: HIGHLIGHTS

Over the past year the Office has made strides in efforts to make our interactions with departments more efficient and effective. The key efficiencies that we have focused on are:

- Risk Assessment
- Quality Assurance, and
- Vendor Management

In each of these areas, we have asked you, our constituents to partner with us, become advisors and steer our efforts towards tasks that will allow you to more effectively manage your departments. Thank you for your input, time and effort.

This year marks the sixteenth Closing and the seventeenth Opening of the Massachusetts Management Accounting and Reporting System (MMARS). The Office of the Comptroller (CTR) is publishing instructions to highlight the most important aspects of Closing and Opening, and also to reference Comptroller Policy Memos, Fiscal Year Memos, and other guidance documents located at <http://mass.gov/osc>. Readers should also refer to [Appendix A](#) (CLOSING/OPENING Key Dates), [Appendix B](#) (Payroll Key Dates), and www.mass.gov/osc/Staffinfo/ContactList.html (List of Resources and Assistance Personnel). Detailed memorandums will be published as necessary to explain special topics and any changes or updates to the procedures contained in these instructions.

CLOSE OF FISCAL YEAR- JUNE 30, 2002 (SUNDAY)

GOODS AND SERVICES

The close of the fiscal year falls on Sunday, June 30, 2002. The last business day of FY2002 is Saturday, June 29, 2002. All goods and services to be paid for with FY2002 funds must be received by Saturday, June 29, 2002. There are no exceptions. The first day of FY2003 is Monday, July 1, 2002.

All encumbrances for FY2002 must be entered into the accounting system by June 30, 2002. If documentation must be submitted to the Office of the Comptroller, it must be received by the close of business Friday, June 28th. During the final quarter of the fiscal year, Departments should perform a monthly review to ensure all encumbrances are in place to support Department needs. The Fiscal Affairs Division has a May 31st deadline for encumbrances in Executive Departments greater than \$25,000. (See [Section 5](#) for specifics.)

Note: Departments should finalize all routine encumbering by June 14th and use the balance of the fiscal year to handle adjustments. The last day of the fiscal year that the Office of the Comptroller will be open for business is Friday, June 28th.

CASH RECEIPTS

Cash receipts on hand or on deposit as of June 30th are FY2002 assets and revenue of the Commonwealth and need to be reflected as such on the annual financial statements.

Revenue collected by June 30th will be credited to the FY Closing. Final deposits of June 30th collections must be posted by the bank by Monday, July 1, 2002. TRE will process sweeps to properly credit closing year collections.

Deposits received at all Commonwealth sponsored lockbox banking facilities by 11:59 p.m. on Sunday, June 30, 2002 must be recorded in MMARS as FY2002 revenue. The Office of the State Treasurer (TRE) is working with all lockbox operations to notify them that they must segregate the FY2002 deposits and process them by 12:00 p.m. on Monday, July 1, 2002. TRE is requesting that the lockbox operators

produce a lockbox deposit register (electronically or manually) that clearly defines the FY2002 deposits. Departments must reconcile the lockbox deposit register to MMARS to ensure that the deposits have been recorded in the appropriate fiscal year.

GASB 34 IMPLEMENTATION

The Commonwealth is implementing the new financial reporting guidelines of Government Accounting Standards Board (GASB) Statement No. 34 in the FY2002 CAFR. GASB 34 also changes the reporting by Higher Education Institutions and the Commonwealth's Component Units.

To facilitate timely preparation of the FY2002 CAFR under GASB 34, certain department reporting dates were revised.

GAAP Fixed Assets, New Capitalization Thresholds including First time Capitalization of Infrastructure

All Fixed Assets including Infrastructure must be entered into the Fixed Assets Subsystem in MMARS within seven days of acquisition but no later than Sunday, June 30, 2002.

As part of the implementation of Government Accounting Standards Board (GASB) Statements 34, 35 and 37, the Commonwealth has updated its Fixed Asset policies. These policies and procedures are effective for Fiscal Year 2002 and beyond. The capitalization thresholds for GAAP fixed assets have been re-defined as: all land regardless of cost, buildings and infrastructure with a cost of greater than or equal to \$100,000 and equipment with a unit cost of \$50,000 or more. Computer software is considered the same fixed asset type as computer equipment.

The definition of fixed assets has always included buildings, equipment, land, software, artwork, and historical treasures. New, under GASB34, Infrastructure fixed assets, including highways, bridges, and dams are now **required to be reported** as fixed assets. This implementation has required enhancements and modifications to our reporting and accounting system to support these changes.

The Office of the Comptroller will oversee the implementation of the enhancements to the Fixed Asset Reporting Sub-system, and the Project Accounting and Reporting Sub-system to ensure seamless integration to MMARS and ensure warehouse data integrity. This oversight is intended to permit Commonwealth departments to record all fixed assets at the level of detail mandated by GASB34. We have published [The Fixed Asset Subsystem Manual and User Guide](#) to be used by Commonwealth departments as they re-assess their fixed assets.

The Fixed Asset Subsystem Policy Manual and User Guide also details capital lease activity—an important part of fixed assets reporting under GASB34. All capital leases must follow the policies and procedures detailed in Comptroller Policy Memo #311. We have added a capital versus operating lease on-line calculator to facilitate decision-making.

Positive outcomes of this change in recording and reporting are:

- Departments with fixed assets will have increased reporting capabilities, both current and retroactive
- As all fixed assets are tracked by city and town, departments can develop reports that will be relevant to constituents, such as the state legislature and town officials

The Office of the Comptroller's role is to enhance the systems and assist departments with implementation. As you are aware, we have been working with the Division of Capital Asset Management (DCAM) in their implementation of the CAMIS system. The physical inventory of state assets for the CAMIS project have been completed. All additions, disposals and changes must be completed before June 30, 2002. Furthermore, all auctioned or sold Commonwealth property must be

reported on or before June 30, 2002 using a disposal (FD) transaction with proceeds from the sale recorded.

The auditors will be especially focusing on fixed asset recording as part of the GASB34 transition. Please ensure that all of your fixed assets are recorded timely, accurately and your supporting records are available and ready for audit.

Please read more about of the FY 2002 changes in policies and procedures (Comptroller policy memos numbered 310, 311 and 313) at the following websites:

Intranet:

<http://www.mass.gov/osc/Accountg/fixed/fafront.htm>

Internet:

<http://www.state.ma.us/osc/accountg/fixed/fafront.htm>

ENCUMBRANCE BUSINESS

Departments are reminded to conduct a thorough review of their financial status to ensure that there will be sufficient funding reserved to cover all commitments incurred during the fiscal year. The Procurement Unit has identified the top 5 reasons why late encumbrances are submitted to CTR in July and August. Each of these can be avoided with proper planning and review before the end of June.

PV coded with "F" for Final Payment:

As many Departments have learned the hard way over the years, it is important to only use the Final Indicator "F" on a PV when you are certain that the balance of the encumbrance should be liquidated. This action completely closes out the encumbrance so that no further payments can be made. While it is possible to reinstate a closed out encumbrance, it is quite a cumbersome process, which requires Departments to enter a modifying transaction with \$0.00 and submit the documentation to CTR for electronic approval on MMARS.

Incorrect Encumbrance Transaction Type:

Departments should be reviewing their encumbrances to ensure that the correct encumbrance type (SC, LO, PD, etc.) was used in order to avoid rejected payments. This task should be completed before the end of June.

Change of Accounting Line on Existing Encumbrances:

Departments should be finalizing their review of accounts and associated encumbrances to ensure that commitments are made in the proper accounts. This type of transaction must be completed no later than the end of June.

Intragovernmental Encumbrances (IE):

In prior years, late IEs have been increasing. Reports from Seller Departments this year indicate that all IEs have been issued. Therefore, User Departments must finalize IEs by the end of June.

Downward Contract Amendments:

All downward Contract and Lease Amendments must be completed by close of business the end of June. Any decreasing encumbrances after this date will be handled via the year-end lapsing program at the end of the accounts payable period.

Departments should be aware that there are no planned procurement resources to support encumbrance approval after June 30th. The Procurement Unit staff will be deployed to manage 2003 business and the Quality Assurance Program.

OPENING FOR BUSINESS - FY2003

The Commonwealth will open its FY2003 operations according to the following criteria:

- A) **Appropriation types 01 and 04:** For budgeted fund, intragovernmental, and federal grant accounts, a provisional obligation ceiling (generally based on the Governor's House 1 recommendations) will be loaded in MMARS in early May. The Fund/Department table (FDEP) will be set to full control.

Determination may be made to load zero dollar appropriation/subsidiary records for accounts in use in FY Closing in lieu of House 1 values, and to set FDEP obligation ceiling to presence control in May, in certain cases where this seems clearly to be more practical; any Departments affected by this will be informed by FAD prior to May.

- B) **Appropriation types 02 and 03:** For capital and trust accounts, zero dollar records will be loaded in early May for all accounts scheduled to roll into FY Opening. FDEP will be set to presence control on the obligation ceiling in May, then to full control after the first balance forward occurs in July.
- C) **Expiring appropriation type 02 accounts supporting payroll:** Capital accounts, which support payroll and are due to expire on June 30th, will not roll forward to the next FY Opening. Departments must ensure transfer of employees, as appropriate, to positions in accounts which will be active in FY Opening.

Once accounts have been established in MMARS for FY Opening, Departments should:

- Verify that necessary state and contract employee payroll accounts appear in both MMARS and the payroll system; and
- Begin processing the necessary pre-encumbrances and encumbrances on Monday, May 13, 2002.

Departments are reminded that their obligation of funds for FY Opening is subject to appropriation. Departments will be responsible for reducing, transferring and otherwise modifying pre-encumbrances and encumbrances as necessary to conform to the funds available and the account structure provided in the final General Appropriation Act (GAA) for FY Opening, subject to specific guidance and timeframes issued by CTR.

INTERIM BUDGETS

The Office of the Comptroller and the Fiscal Affairs Division will submit an Interim Budget request in the event that the GAA is not passed by the Legislature and signed by the Governor by July 1st. This will provide funding for the continuation of service across the Commonwealth. While no new programs or projects are recommended or supported as part of the interim budget, all routine business to carry out Department missions is included (i.e. payrolls, client benefits, leases, goods and services).

Once you are notified that the Interim Budget is signed, Departments should proceed with routine business, including paying bills in 30 days. Departments are responsible to expend only funds from accounts that are in both the House and Senate Budgets. If there is a question about whether an account will be funded, the CFO should confer with the Fiscal Affairs Division.

STATE FINANCE LAW REMINDER

State Finance Law requires that funding be in place before goods/services can be accepted from vendors. Specifically M.G.L. Chapter 29, Sections 26, 27 and 29 state that the Departments may not incur a liability for the Commonwealth in excess of their appropriation. This means that a Department cannot

sign a contract or amendment or accept services (including employee services) or commodities in excess of a current appropriation. It further directs the Comptroller to refuse to permit the incurring of an obligation if funds are not appropriated.

CLOSE/OPEN MEETINGS

MMARS Liaisons and staff with fiscal responsibilities are invited to join the Office of Comptroller Executive Staff for the annual Close/Open message for Fiscal Years 2002-2003.

Date: April 26, 2002

Worcester State College

486 Chandler Street, Worcester, Massachusetts

10:00-11:30

Date: April 30, 2002

McCormack Building

One Ashburton Place, Boston, Massachusetts

9:00-10:30 or 11:00-12:30 (session will be repeated, sign-up for one session)

CFO CONFERENCE

Planning is underway for the second annual conference for CFOs on May 16th and 17th at the Federal Reserve Bank in Boston. More detailed information has been sent to CFOs. As a result of last year's conference a number of recommendations from CFOs were put into place. Several of these are now available on our Web site:

- Comptrollers Forms
 - <http://www.mass.gov/osc/Accountg/MMarsForms/mmarsforms.htm>
- Model IC plans
 - <http://www.mass.gov/osc/homeview/CONTROL/Contents.htm>
- Comptroller's Org chart
 - <http://www.mass.gov/osc/Staffinfo/CTROrgChart.html>
- Regulations relating to Comptroller's business areas
 - <http://mass.gov/osc/Regs/Regs.html>

Additional suggestions included streamlining of the vendor registration process, which is currently underway (see section 5 for details) and an executive summary that has been added to the beginning of every Comptroller official memo.

As a matter of policy, the Office of the Comptroller is increasingly relying on electronic distribution of information. Toward this effort, our goal is to make available on our Web page various types of documentation for your use (such as policy, forms, contact lists, etc) thus eliminating duplicate or conflicting information.

THE COMMONWEALTH IS A GOOD BUSINESS PARTNER!!

Congratulations! The Commonwealth is paying 88% of its bills in 30 days! We have come a long way. Our goal is 95% with the preferred payment method of EFT. Let's keep going!!

EFT and STATEWIDE CONTRACTORS

Paying Commonwealth Payees via Electronic Funds Transfer (EFT) is the Commonwealth's policy. During the past year 7,325 active vendors have chosen, with the encouragement of departments' staff, to be paid via EFT. Based on these payees' annual payment volume alone, almost 229,000 checks have been eliminated! With the payees' payments now directly paid into their designated account, the payees save administrative handling costs and the Commonwealth saves over \$100,000 in bank costs!

For FY2003, successful bidders for statewide contracts upon notification of contract award and vendors exercising statewide contract renewal options, will be required to enroll in EFT as a contract requirement by completing and submitting the [Authorization for Electronics Funds Payment Form](#) to Division of Operational Services.

FEDERAL PAYMENTS

Many Federal Agencies are in the process of changing payment systems that may allow a grant to change over to a control draw account from a non-central draw account.

Should notification be received by the grantor of a forthcoming change, please notify Bob McDonald at the Comptroller's Office (617) 973-2438 or by email Robert.mcdonald@osc.state.ma.us to see if this grant qualifies.

CREDIT CARD COLLECTIONS

The Office of the State Comptroller recently issued a Request for Response for a new statewide electronic payment-processing contract. This contract will offer to eligible departments credit and debit card processing services and is expected to be finalized by July 1, 2002. The current contract with Discover Financial Services has been extended for one year through March 31, 2003 to enable current Department participants to transition their programs to the new contract. Currently, seven Departments use the contract to process state income tax obligations, child support payments, motor vehicle registrations and titles, license renewals, seasonal lottery ticket payments, certification and examination fees, auction purchases, campground reservations, and golf course fees.

INTERNAL CONTROLS

Chapter 647 of the Acts of 1989, known as the *Internal Control Law*, sets forth the standards for internal controls at state departments. This law requires all departments to establish internal controls in accordance with requirements developed by the Office of the Comptroller. These requirements are set forth in the Internal Control Guides that are published by the Comptroller's Office. As one of these Guides states, "Managers are accountable for the adequacy of internal control systems in their departments." Department management must verify that *Closing and Opening* transactions comply with laws, rules, and regulations. This compliance should be the same as that required for transactions processed at all other times during the fiscal year. For additional information, see the section titled Internal Control Information on the Comptroller's Internet page: <http://www.mass.gov/osc>.

In conjunction with the State Auditor's Office and the audit firm of Deloitte & Touche, LLP, CTR will continue to emphasize internal control during the audit of FY2002. Auditors will continue analyzing departments' internal control plans in depth. Last year, an emphasis was placed on departments' performing risk assessments that encompassed the operations of the entire department. That emphasis will continue. In FY2003 departments will be urged to cross-reference the controls they have in place against this risk assessment.

As part of the FY2002 single audit, auditors will also review certain department activities to ensure that internal control plans accurately reflect department procedures and controls. As in previous years, we will use the Internal Control Questionnaire as the first step in this process. The two internal control guides, the *Internal Control Guide for Managers* and the *Internal Guide for Departments* should be used as a basis for updating department internal controls. We expect that top management will be involved with the effort to upgrade each department's internal controls.

SINGLE AUDIT

At the conclusion of the FY2001 Statewide Single Audit, the Commonwealth issued the following three reports: *the Statutory Basis Financial Report (SBFR)*, the *Comprehensive Annual Financial Report (CAFR)*, and the *Reports on Compliance and Internal Control in Accordance with Government Auditing Standards and the Requirements of OMB Circular A-133 and the Schedule of Expenditures of Federal Awards for the Year Ended June 30, 2001*. The Government Finance Officers Association (GFOA) awarded the Commonwealth's FY2000 CAFR their Certificate of Achievement in Financial Reporting. The FY2001 report has been submitted to GFOA for review. All of the FY2001 Audit Reports are available through the Internet.

(Intranet) – <http://www.mass.gov/osc/>

(Internet) - <http://www.state.ma.us/osc/>

As part of the Single Audit, the auditors will be checking to ensure that payroll certifications are on file in the department in accordance with the payroll policy guide. Date stamps will also be checked on payments selected through the central sample, as was done last year.

The FY2002 financial reporting cycle is as follows:

- The SBFR will be issued by October 31st.
- The CAFR issuance date is December 31st.
- The Reports on Compliance and Internal Controls will also be issued by December 31st.

Review the Closing/Opening instructions and the separately issued GAAP instructions for related changes to departmental reporting requirements and deadlines.

IT PROJECTS

The Office of the State Comptroller (CTR) has been an early advocate for eGovernment applications, with a number of award winning projects. As technology evolves, CTR continues to explore new efficiencies for departments through the introduction of new applications or enhancement of existing ones. Described below are just a few.

Massachusetts Management, Accounting, and Reporting System (MMARS)

Last year, we announced our intention to upgrade MMARS to the most recent version of the AMS web based software. At this time however, IT Bond III has yet to be passed. Look for updates on this project as funding becomes available.

Payee Self Service

The feedback received from last year's CFO Conference was very valuable and has helped form the Comptroller's Office agenda for the past year. Number one on the list of recommendations was refining the process for registering payees. While many of the recommendations on the list have already been implemented, the significance of the system changes required to improve the payee process required a longer effort.

Last Fall the Office of the Comptroller (CTR), in partnership with the Information Technology Division and American Management Systems, embarked on a project to design and build a web site that would allow the Commonwealth to register and manage payee information via the Intranet. Payee Self- Service (PSS) has been developed as a component of MMARS using the latest web-enabled version of our accounting system software. This will allow departments to data enter payee information once and then PSS will create and process all the necessary VU transactions in MMARS. Documentation on file for a current payee (i.e., W-9, T& C, EFT) will be easily identified. Address validation edits, as well as bank routing number edits, will be applied for immediate confirmation. Worklist views of all department payees in process through the CTR approval will be available for quick status.

This product is a component of the entity wide accounting software the Commonwealth intends to implement once funding is approved by the Legislature. Not only does this product solve many of the immediate issues with registering vendors, it provides all of us a real hands on look and feel for the software we hope will soon replace MMARS.

Several Commonwealth departments have generously and actively participated as an Advisory Board to this project. We are pleased to announce that in May departments will have access to an intranet application called Payee Self-Service (PSS) which allows departments to input data once and PSS creates and processes the necessary VU transactions in MMARS.

ePayments

Keeping in line with the goal of creating efficiency, ITD and CTR have partnered to develop a centralized method of processing credit cards and other electronic payments via the web. CTR, as the business partner, in conjunction with ITD is developing the technology and business process necessary to accept electronic payments received by any department in the Commonwealth that wishes to participate. The goal of this eGov Shared Service Application Programming Interface (API) is to enable Commonwealth departments to integrate their payment collection applications with an ePayment system that is interactive with MMARS, making reconciliation more efficient.

Intercept Expanded to Higher Education

Intercept is an automated process that matches delinquent debt owed to the Commonwealth to eligible payments made by the Commonwealth for individuals and organizations that function both as customers and vendors of the Commonwealth. Matched payments (tax refund or Commonwealth warrant payments) offset the debt either in whole or in part, until the debt is retired. Over \$25 million in delinquent debt has been intercepted since the implementation of this program in 1995.

CTR has widened the scope of current Intercept functionality of the Billing and Accounts Receivable Sub-System (BARS) of MMARS by extending intercept to the Commonwealth's institutions of higher education over the internet. This web initiative went live in December of 2001 with 11 schools and the Board of Higher Education participating. The "Intercept over the Internet" program has accepted over \$8 million in delinquent debt files and collected over \$600,000 for the schools of higher education during this tax season. Intercepts was recognized this year by the National Association of State Comptrollers and awarded the "Outstanding Project in State Financial Management" at their annual conference in March 2002!!

CTR is proposing to change legislation to enable us to collect debt on behalf of political subdivisions of the Commonwealth that do not use MMARS. The intercepts web system was built to provide this service.

MASS FINANCE <http://www.mass.gov/massfinance>

MASSfinance is a two-time Award winning website/application that delivers financial information to Commonwealth employees, vendors, customers, other governments, and the general public. The information is updated daily and available on demand, 24 hours a day, 365 days a year. The site currently averages over 7,000 users per week.

Currently, MASSfinance consists of *CommonCents*, *VendorWeb*, and *Cities and Towns*. *CommonCents* provides the public with answers to frequently asked questions regarding Commonwealth finances, such as "What was the total Commonwealth of Massachusetts spending in (specified fiscal years)?" *VendorWeb* supplies Commonwealth vendors with payment information, both scheduled payments and payment history. The *Cities and Towns* area of CommonCents provides web-based payment information for Commonwealth municipalities to determine local aid – cherry sheet and direct local aid payments.

Over the past year, MASSfinance has been enhanced in a number of areas. For example, *VendorWeb* now includes:

- the contract number that goes with a payment
- a download capability within Payment History
- an area devoted to the Comptroller's EFT campaign, which allows vendors to fill out a form online and print it

In 1999 the MASSfinance Internet site won the Outstanding Project Award from the National Association of State Auditors, Comptrollers and Treasurers (NASACT), an organization for state officials who deal with financial management in state governments.

In 2001 the MASSfinance Internet site also won an Explorer Award for Best Practices in State Government from E-GOV, the sponsors of E-GOV digest and conferences. There were over 300 world-wide entries to this contest. MASSfinance participated in an all-Government exhibit at the E-Gov 2001 Exposition in Washington DC.

PayInfo

PayInfo is an application designed to provide Commonwealth employees with an electronic Payroll remittance over the web, 7 by 24, one day prior to pay day! Four pay periods of data are maintained on this employee web site, secured by secure socket layers (SSL), encryption and employee controlled passwords. This initiative is not only intended to provide employees with payroll remittance information at their convenience, but will ultimately eliminate the need to print remittance advices, halt the departmental commute to Boston to pick them and further sort and distribute them to employees – saving the Commonwealth lots of \$\$\$\$.

It is important to note that the Commonwealth has worked diligently with employees and their Unions to ensure that privacy of the payroll information, as well as good security measures, are in place. The project supports federal and state initiatives to eliminate paperwork whenever possible and addresses the Government to Employee channel for Egov.

CTR is implementing departments NOW, contact our helpline for more information!

EXPENDITURE CLASSIFICATION HANDBOOK

CTR's Expenditure Classification Handbook is re-visited annually to reflect the business needs of Departments. An updated FY2003 handbook will be issued on May 10th and will be found at web site: www.mass.gov/osc. Departments should be certain to obtain the most recent Expenditure Classification Handbook and utilize **only** the current object codes. Changes will be detailed in a summary entitled FY2003 Object Code Changes. If your Department does not have Internet Access, a 3.5" diskette will be mailed to the MMARS Liaison after the revisions have been completed.

OPERATIONAL SERVICES DIVISION

ELECTRONIC FUND TRANSFER

Beginning July 1, 2002, the Operational Services Division will be requiring all bidders responding to OSD issued statewide procurements to participate in the Commonwealth's Electronic Funds Transfer (EFT) initiative. Language will be added to all OSD procurements notifying all interested bidders of this new requirement. EFT is a benefit to both contractors and the Commonwealth because it ensures fast, safe and reliable payment directly to contractors and saves both parties the cost of processing checks. Contractors are able to track and verify payments made electronically through the Comptroller's Vendor Web system.

Successful bidders, upon notification of contract award, will be required to enroll in EFT as a contract requirement by completing and submitting the *Authorization for Electronics Funds Payment Form* to OSD for review, approval and forwarding to the Office of the Comptroller. The requirement to use EFT may be waived by the OSD procurement management team on a case-by-case basis if participation in the program would be unduly burdensome on the bidder. If a bidder is claiming that this requirement is a hardship or unduly burdensome, the specific reason must be documented in its response.

Once OSD has had an opportunity to evaluate the impact of requiring EFT participation for statewide contractors, it may, at some future date, modify this requirement to extend to all procurements conducted under 801 CMR 21.00.

EDI SHUTDOWN

The *Statewide Contract #OFF01 Stockless Office Supply* Procurement Management Team (PMT) is announcing that OSD and CTR are working together jointly to shut down the current MMARS EDI Order and Receipt System effective July, 2002. This should significantly reduce costs to the existing office supply contractors. This affects all contracts with Corporate Express and New England Office Supply. The PMT's objective is to negotiate an extension of the current contract with a reduction of the Cost Plus Percentage % from each Contractor. This should result in slightly lower costs to Commonwealth users. Normal EDI ordering will be available through the end of FY2002. In July, normal non-EDI ordering procedures will be in effect. In lieu of EDI, contractors will be providing easy to use web based ordering systems. Watch for more information to be published on the transition away from EDI. If you have any questions, please contact Robert Guerard at 617-720-3321 or by e-mail Robert.guerard@osd.state.ma.us

FY2002 BIG BUY

The Big Buy has been running concurrently with the Mass Mail Initiative this year. Great prices have been negotiated. Information for the Big Buy is available at ITD's web site www.mass.gov/itd. The Big Buy 2002 will be available for all eligible entities until June 30, 2002. Please read the following information below released by the Fiscal Affairs Division relating to the transfer of funds.

Due to the Commonwealth's fiscal situation, the Fiscal Affairs Division, unfortunately, cannot be as supportive of the computer equipment "Big Buy" as it has been in recent years. Traditionally, FAD has worked with agencies to identify surplus operating funds in their operating accounts that would have otherwise reverted at the end of the fiscal year and assisted in transferring these funds to the "KK" subsidiary to support computer equipment purchases. In order to achieve fiscal balance in Fiscal Year 2002, FAD will not be able to accommodate intersubsidiary transfer requests (TSs) to move discretionary funds into the KK to support Big Buy purchases. Nevertheless, agencies not requiring TSs or with non-budgetary funds available may still opt to participate.

LIAISONS TO THE COMPTROLLER'S OFFICE

Each year CTR requests that Departments review their list of key personnel who coordinate fiscal policy and procedures in their behalf:

Department Head
Chief Fiscal Officer
Internal Control Officer
MMARS Liaison
Payroll Director
Legal Counsel
Department Security Officer
GAAP Liaison
Single Audit Liaison

CTR maintains a database of these individuals to communicate information to and relies on them as the knowledge base of the Departments in their areas of expertise. Once again, for FY2003 please confirm this list within your Department and forward any changes to this Office http://www.state.ma.us/osc/Accountg/Comptroller_forms/Comptroller_forms.html for a description of the responsibilities expected to be handled by each individual. It is critical during this transition period of staff turnover that CTR is notified as soon as possible of any changes, so that we can keep the lines of communication open.

Each individual listed requires access to the Internet in order to retrieve and process documents.

COMMONWEALTH INFORMATION WAREHOUSE

The Commonwealth Information Warehouse (CIW) was developed as the source for ad-hoc querying and reporting of data from a variety of source systems including MMARS, PCRS, HR/CMS and PARIS. Data currently available in the warehouse includes:

- MMARS financial data from FY1993 to date;
- HR/CMS personnel, payroll and time and labor data from January 30, 2000 to date;
- PCRS labor history cost distribution data from FY1995 to date;
- Weekly work assignment history (PARIS) data for the period beginning FY1996 (July 1995) through the last pay period in FY2000 for PMIS (1/29/2000) and for CAPS (3/25/2000); quarter end data is available for FY1990 through FY1995.

Instructions for connecting to and using the Commonwealth Information Warehouse are available at the CIW intranet site <http://www.iw.state.ma.us>. Query tools supported by the Information Warehouse team and Commonhelp staff include Microsoft Access and Excel, versions 97 or 2000. Training in the use of MMARS data in the information warehouse is available through the Comptroller's Office <http://www.mass.gov/osc>, and in the use of HR/CMS data in the information warehouse through the HR/CMS training team <http://www.state.ma.us/hrcms/>.

Commonwealth Information Warehouse User Group Meetings and drop-in sessions are held monthly, alternating between Boston and locations in the northern, southern, central and western parts of the Commonwealth. Check the CIW intranet site for dates and locations, as well as for copies of recent handouts, and agendas for upcoming meetings. Topics for discussion typically include notice of upcoming or recent enhancements to CIW data, query development techniques, query tool tips and demonstrations, and a range of user questions.

Users may also bring questions on CIW-related queries and reports for individual support during one of our regular drop-in sessions, held monthly in Boston or in conjunction with the regularly scheduled CIW User Group Meetings across the Commonwealth. The dates for these events are also posted each month on the CIW intranet site.

A variety of valuable information is available for download at the CIW intranet site. Users will find a collection of "Starter Queries" to assist their data analysis efforts on a variety of topics. Other useful information on the site includes Frequently Asked Questions, Monthly Tips, CIW hours of operation and a CIW staff directory. We have the CIW Technical Guide and "Build it Yourself" guides for MMARS and HR/CMS users available for download. There is also detailed information about source system changes that impact the CIW, including information on changes brought about by the recent upgrade of HR/CMS to Peoplesoft 8.

SECTION 2: POLICY

ACCOUNT MANAGEMENT

Expiring Capital Accounts

Type 02 (bond) accounts, which support payroll and that are due to expire on June 30th, will not roll forward to the next fiscal year. Departments must arrange for the transfer of employees, as appropriate, to positions in accounts, which will be active in the new fiscal year.

Federal Grants

Departments are reminded to submit proper documentation to FAD and CTR for all federal grants. While the FY Opening is the final quarter of the closing federal fiscal year, Departments will begin receiving federal award letters in late summer and early fall. Award letters for the new federal fiscal year should be forwarded to the Budget Director at FAD and to the CTR's General Accounting Bureau, and clearly marked with the Department name, Catalog of Federal Domestic Assistance (CFDA) number, and appropriation number. Refer to [MMARS MEMO #79](#) and [Administrative Bulletin A&F-3](#) for more information.

Federal allocation accounts will not participate in the automated balance forward program scheduled for the close of accounting period 12. Residual Cash balances in federal allocation accounts will be returned to the parent accounts at the end of the accounts payable period.

Departments participating in the automated central draw for federal programs should remember to submit any modifications necessary to prevent the disruption of draws. This includes any changes to letter-of-credit, ACH, sub-account data. Changes should be submitted to the General Accounting Bureau as soon as they become known.

Departments completing weekly SUBA allocation amounts should take extra caution to properly post draw requests by budget fiscal year. The ViewDirect reports 210HV, 210HP and 210HA should be utilized to accomplish this task.

Irregular Balances

All appropriation types 01, 02, 03 irregular balances MUST be resolved by June 30th.

Appropriation type 04 irregular balances MUST be resolved by the second week in September.

Departments are reminded that spending on a federal grant account is limited to their authority to draw funds, from the federal government, for that particular program within the state's budget fiscal year. Departments with unresolved irregular balances in federal accounts, beyond the final closing year draw date/receipt (second week in September), may be considered in violation of M.G.L. c. 29 §26.

For assistance from CTR:

Budgetary Funds (01) Procurement Unit
Capital Funds (02) Capital Accounting Bureau
Trusts and Federal Grants (03 & 04) General Accounting Bureau

Grants and Subsidies

All grants and subsidies are paid under the PP subsidiary. The administration of Grants and Subsidies is governed by 815 CMR 2.00 and applies to all state Departments. Departments must verify the Legislative Authorization and account type of proposed funding, and the organizational structure of intended recipients, to determine if expenditures may be properly made as Grants or Subsidies under 815 CMR 2.00.

A "Grant" is defined as discretionary and non-discretionary (designated) funds of financial assistance provided under contractual terms between a Grantor department and a Grantee to assist the Grantee in the achievement or continuation of a specified public purpose to benefit the general public or a segment of the general public consistent with the Grantor Department's Legislative Authorization. Grants must use the Commonwealth Terms and Conditions and Standard Contract Form and Instructions.

A "Subsidy" is defined as non-discretionary funds appropriated by the Legislature to be made either as a direct payment of a specified amount to a designated recipient entity, and are not specified as a "Grant", "contract" or "for a program", or are designated specifically as direct payments through "Subsidies" or a "Subsidy program".

For more information regarding Grants and Subsidies, please see [MMARS MEMO #265](#) and 815 CMR 2.00, or contact the Contracts or Legal Units at CTR.

CASH/REVENUE

Cash Receipts

Cash receipts on hand or on deposit as of June 30th are FY2002 assets and revenue of the Commonwealth and need to be reflected as such on the annual financial statements.

Final deposits of June 30th collections must be posted by the bank by noon of the first business day of July. Revenue collected by June 30th will be credited to the FY Closing. Treasury (TRE) will process sweeps to properly credit closing year collections. (CTs should be entered by July 2nd and marked period 12-2002.) CTs will process nightly as TRE sweeps are posted. In the event that funds deposited with the bank by noon July 1st are swept late or posted to the opening year by TRE, Departments should contact the General Accounting staff for assistance. **PLEASE NOTE: adjustments for cash will be made ONLY with proof of deposit, i.e. a deposit slip/receipt, stamped with date/time, by the bank.**

ENCUMBRANCE MANAGEMENT

Encumbrance and Payables Management

For payables, goods and/or services must be received in the respective Department locations no later than June 30th to be charged to FY Closing. If a product acceptance period is required, it must conclude prior to August 31st. There must also be a sufficient encumbrance for such goods and/or services; the actual vendor invoice and the payment to the vendor may take place at any time after the two prior steps, but before August 31st. Departments should finish routine encumbering for all appropriation types by June 14th and use the balance of the fiscal year to handle adjustments. Note: The last day of the fiscal year that the Office of the Comptroller will be open for business is Friday, June 28th. The deadline for receipt of goods and/or services by June 30th is firm. During the months of June, July and August, MMARS will automatically reject Payment Vouchers (PVs) that do not reference an approved encumbrance. On July 1st, the tolerance for all encumbrances will be set to zero percent for accounts payable payments. Departments may manually lapse encumbrances before June 30th if no longer necessary.

Interdepartmental chargeback Departments must enter IE modifications to finalize FY Closing estimates for May and June no later than May 30th. FY Closing IEs must be in "DONE" status prior to June 30th.

All accounts payable bills, including employee payroll, are expected to be fully paid by August 31st. As of September 1st, MMARS will not allow any FY Closing payments to be processed.

Immediately after August 31st, all encumbrances will be automatically lapsed.

Renewals of Contracts, Grants and Interdepartmental Service Agreements

This is a reminder that all amendments must be executed by both parties PRIOR to the termination date of a contract, grant or ISA.

A [Standard Contract Amendment Form](#) or ISA amendment **MUST** be signed by the Department and the Contractor **PRIOR** to the termination date listed in the Contract, grant or ISA. Departments must attach all relevant documentation to support the amendment. A Contract which is not amended prior to its termination date terminates by operation of law and can not be amended. See the Contract Amendments section of the [Standard Contract Form Instructions](#) for additional information.

If a Contract terminates prior to using the time left under a procurement, any remaining time available may still be used by the Department with the following restrictions: **(1)** the lapse in time between the original Contract termination date and the execution of a new Standard Contract Form will be lost and must be reduced from the total available time left under the Contract procurement, and **(2)** any newly signed Standard Contract Form will require copies of all the required documents filed with the original Standard Contract Form, plus any additional negotiated terms (as specified under "Required Standard Contract Form Contents" section of the [Standard Contract Form Instructions](#)). **Performance made during any lapse in time between the original Contract termination date and the execution of a new Standard Contract Form cannot be compensated under either the original or the new Contract.**

INTERDEPARTMENTAL BUSINESS

Interdepartmental Service Agreements (ISAs)

In May 2001, Comptroller Policy Memo #306 issued new forms, instructions and policies for ISA's and ISA amendments. It also contains the new regulation, 815 CMR 6.00, which provides the rules and procedures for conducting Interdepartmental Fiscal Business, including ISAs and Interdepartmental Chargebacks which require a transfer of funds between two departments. Fiscal year opening for processing ISAs by appropriation type can start as outlined below.

- For Maintenance (01) Funds, Departments may start processing ISAs as early as the second week in May and ISAs may be processed based on provisional numbers in House 1. Automatic allotments will be made directly to allocation accounts, after the GAA is loaded.
- For Capital (02) Funds, the new fiscal year Obligation Ceiling can be allocated as early as the second week in May based on the Obligation Ceiling being put on presence control. Allotments will be made directly to allocation accounts by ad hoc allotment requests from the Seller Department.
- For Trust (03) Funds, Departments may process ISAs as early as the second week in May based on the anticipated receipts for the trust fund.

- For Federal (04) Funds, the new fiscal year Obligation Ceiling amount can be allocated as early as the second week in May based upon provisional numbers in House 1. Allocation Account Expenditure Ceilings will be updated as Departments expend and cash is drawn.

Single Year ISAs – Closing Out A Fiscal Year

- Type 01 (maintenance accounts) – Uncommitted and unexpended balances in allocation accounts will not be returned to the parent account, unless the parent has a Prior Appropriation Continued (PAC). With this one exception, all other unspent balances in maintenance allocation accounts will revert.
- Type 02 and 03 (capital and trust) – The Office of the Comptroller will return uncommitted and unexpended balances in allocation accounts to the parent account at the end of the fiscal year accounts payable period.
- Type 04 (federal grants) – Uncommitted balances do not balance forward; therefore, no adjustment is required. In the unlikely event that an unexpended balance remains in the allocation account, the Office of the Comptroller will move the cash to the parent account and adjust any future cash draws accordingly.

Multi-Year ISAs – Closing and Opening Fiscal Years

- Most ISAs are approved annually on a state fiscal year basis. However, ISAs should have the duration that makes sense from a business perspective. Multi-year ISAs are encouraged if they best support the business process. Similar to other types of contracts, all ISAs are subject to appropriation and/or the availability of funding.
- Type 01 (maintenance accounts) – Uncommitted and unexpended balances in allocation accounts will be returned to the parent account at the end of the fiscal year, unless the parent has a PAC authorization. It is the responsibility of the Buyer Department to determine how the PAC authorization should be distributed between the parent and child allocation accounts and to notify the Office of the Comptroller Accounting Bureau personnel accordingly.
- Type 02 and 03 (capital and trust) – Uncommitted and unexpended balances will balance forward into the new fiscal year; therefore, Buyer Departments should factor in any balance forward in the child account when computing the AC for the new fiscal year.
- Type 04 (federal grant) – Uncommitted balances will not balance forward; therefore, a new AC transaction is required. In the unlikely event that an unexpended balance remains in the allocation account, the balance will be brought forward in the child account and will update both the unexpended and uncommitted balances. Therefore, the Buyer Department should factor in any balance forward in the child account when computing the AC transaction for the next fiscal year.
- MMARS transactions, irrespective of the duration of the ISA, are generally valid for one fiscal year. Therefore, a new MMARS transaction is required each year and must utilize the same MMARS Document ID Number that was used the previous fiscal year. The one exception to this rule is SC ISAs, which systematically have a new MMARS Transaction Document ID Number assigned to them during the annual out-year roll program. This option can only be utilized when Higher Education is the Seller Department.

DISBURSEMENTS

Determination of Employee Work Status (IRS form SS-8)

When a Department plans to contract with an individual for services, the Department is required to perform the IRS SS-8 test on the anticipated Scope of performance planned for the contract. If, after completing the Form SS-8, the Scope of performance is determined to be that of a "contract employee" with an employee/employer relationship, the Department may hire an individual through its regular recruitment process for other employees. The vehicle used for payment must be either HR/CMS or HRMIS contractor payrolls. **For contract employees, the Commonwealth Terms and Conditions and the Standard Contract Form must be executed.**

If, after completing the Form SS-8, the Scope of performance will be classified as an "independent contractor", the Department must complete an RFR procurement under the **applicable procurement requirements governing Department service contracts. (e.g., 801 CMR 21.00, M.G.L. c. 7, s. 22 and the Procurement Policies and Procedures Handbook for Executive Departments.)** Independent contractors are compensated through a MMARS Payment Voucher (PV).

Further guidance on this subject can be found in the [Commonwealth of Massachusetts Procurement Policies and Procedures Handbook](#).

(Please refer to the [MMARS Memo #159 Series](#)).

Form SS-8 under Forms and Publications may be obtained from the Internal Revenue Service (IRS) web site: www.irs.ustreas.gov/prod/forms_pubs/forms.html select "0697 Form SS-8 Determination of Employee work status for Purposes of Federal Employment Taxes and Income Tax Withholding.

Request for Advances

With the availability of daily disbursements to all Departments, advances are authorized in the following categories only: emergency payroll account for \$5,000, employees' out-of-state travel, confidential investigations and certain entitlement programs.

Interdepartmental Chargebacks (IE/IV)

Interdepartmental Chargebacks are fee-based charges for statutorily authorized commodities and services which are available to State Departments on an *ad hoc* request basis, a public fee basis, or statewide chargeback basis. Departments must have specific legislative authorization to conduct chargebacks.

Authorized chargeback Departments are listed on the MMARS "ACSI" and "CHBK" tables. To be listed on these tables, a new chargeback Department (or a current chargeback department with a new type of chargeback) must submit a "**Chargeback Department Authorization Form**" to the Legal Unit at CTR (see link below). The Department must attach photocopies of the specific legislative authorization (statute, GAA line-item or section, etc.) allowing the Department to charge other Departments for goods/services, and a listing of rates or costs. D-16 MMARS Security is also required for new Chargeback Departments, or any new individual who will be entering IEs and Ivs on behalf of a Chargeback Department.

Annual Renewal of Chargeback Department Status

FY2002 Authorized Chargeback Departments with chargeback authority set by statute do not have to annually resubmit the authorization form. These Chargebacks will be automatically updated annually. These departments are required to submit any updates to fee schedules.

FY2002 Authorized Chargeback Departments with chargeback authority established in the General Appropriation Act (the GAA budget) may submit authorization forms (with required supporting documentation) prior to the final passage of the GAA, provided the Department provides photocopies demonstrating that the authorization for the CHBK appears in both the House and Senate versions of the budget prior to final action by the Governor. These chargebacks will be authorized to enter FY Opening IEs, as of July 1st, (or upon processing of the Chargeback paperwork), or as of the load of the REVB tables on MMARS, whichever is later.

Pursuant to 815 CMR 6.00, Chargeback departments are not authorized to provide chargeback goods/services prior to CHBK table approval in MMARS.

Chargeback Departments are required to submit IEs to Buyer Department PRIOR to providing chargeback goods or services based upon estimated costs. Buyer Departments are required to retrieve the IE SHELL from the suspense file (SUSF) and complete the accounting line information within 30 days.

Please see the interdepartmental Procedures Manual [MMARS MEMO # 230](#) for more information on the electronic IE/IV process at <http://www.mass.gov/osc/Accountg/marmemos/memos.htm>.

The “**Chargeback Department Authorization Form**” may be completed on-line and printed from the Comptroller website <http://www.mass.gov/osc/overview.htm> under “Comptroller Forms”.

PAYROLL

Payroll Management

Departments are reminded that state finance law defines the budget fiscal year for all payments, including payrolls, to begin on July 1st and end on June 30th of the subsequent year. Services rendered by employees through June 30th must be charged to the FY Closing.

Since the fiscal year end of June 30th falls on the first day of the pay period, the split fiscal year processing will occur between FY2002 and FY2003. Payroll charges for June 30th will appear in separate Fiscal Year reports.

Payroll Hold Transactions

The PH encumbrance is needed to reserve that portion of your account balances that will be used to support accounts payable payrolls for state employees and contract employees funded through Fund 900 (position type SP). All other contract employees will reference FY Closing SC transactions in MMARS during the accounts payable period.

Contractor Payroll

FY Opening Service Contracts (SCs) supporting HR/CMS and e*mpac contractor payroll must be approved in MMARS prior to the actual payroll processing. Departments are required to submit SCs to CTR by the last week in June so that contractor payrolls may be processed beginning in July. For specific dates, please refer to [Appendix A](#).

GENERAL CLOSING/OPENING

June 30th Cut Off For Encumbrances, Payables and Cash Receipts

The watershed date for differentiating payables and revenue pertaining to the FY Closing is June 30th.

Processing Transactions for Two Fiscal Years

Departments should take extra care to code the correct budget fiscal year (BFY) on all transactions during May, June, July, and August.

Audit Verification of Year-End Closing Activities

CTR, with assistance from the Office of the State Auditor (SAO), will again be working with departments to ensure that accounts are closed properly. The activities include ensuring the proper year-end cutoff for cash, revenue and encumbrances; and confirming the receipt of goods and/or services by June 30th.

SAO staff will be testing the encumbrance cut-off. To ensure that departments are effectively managing their encumbrances and promptly accounting for their advances, these auditors will be reviewing supporting documentation for encumbrances, as well as delivery dates for goods and services. Each department should conduct a detailed analysis of its encumbrances required for accounts payable. The Information Warehouse can be used to assist in the analysis. SAO staff will test cash receipts, lock box activities, sweeps, and other receipt activity to ensure that revenue received by close of business June 30, 2002 is recorded in the correct fiscal year.

FY Opening Interim Budget

If an interim budget is required and approved by the Legislature and the Governor, CTR will assist Departments in issuing affected payments. Annually, CTR and FAD prepare an interim budget weekly expense plan for the month of July. The interim budget is in place to provide funding for the continuation of services across the Commonwealth. No new programs or projects are supported as part of the interim budget. Payments, such as client benefits, ongoing lease payments, and necessary goods and services to carry out department mission are supported as part of the interim budget. Adherence to [MMARS Memo #289](#) is expected throughout the fiscal year. Please monitor Fiscal Year memos on the [Comptroller's Home Page](#), Closing/Opening Update memos and MMARS News for updates on a FY opening interim budget.

Renewal of Signature Authorization

Pursuant to MGL c29 s.20, a Department Head must specifically authorize the expenditure of Department appropriations, legal obligations, payments, payrolls and other financial transactions in accordance with general and special law and regulations. A Department Head may delegate signature authorization to designated personnel within the Department to authorize financial transactions and other legal obligations on the Department Head's behalf. Such delegation shall not relieve the Department Head from any obligations or responsibilities under general and special law or regulation which result from approvals by authorized signature designees on behalf of the Department Head. Annual signature authorization delegations should support the Department's internal control policies and structure.

The procedure for FY2003 will be the same as in FY2002. Please watch for a Comptroller FY2003 memo for the instructions, forms, and Department Head Signature Authorization policy. Upon filing, signature authorization delegations will be used during periodic reviews of signature authorization prior to the processing of transactions by CTR.

Please note transactions submitted after June 30th cannot be processed without appropriate authorization

Live signature dates required for all MMARS documents and Contracts

This is a reminder that all signature dates on MMARS documents and contracts must be "live" (i.e. entered in pen by the signatory). This issue is being highlighted because the date is an extension of the

signature, which documents the actual date of a signatory's authorization. Department Heads are granted broad authority to delegate signatory authority to trusted staff. This delegation authorizes the employee's signature not a stamp! Date stamps and any other type of pre-filled dates or signatures do not comply with this requirement. Transactions submitted for the current or the new fiscal year which do not contain live signature dates will not be processed and will be returned to the Department. For further guidance please see Chapter 5 Contract Execution and Management of the Commonwealth's Procurement Policies and Procedures Handbook.

On-Line Update

To help ensure that transactions are posted to the correct fiscal year while two fiscal years are open, and to minimize the need for PEND5 control on transactions, CTR will suspend Departments' use of on-line update for all transactions from the close of period 12 through the beginning of September. During this time Departments will no longer be able to update with a "WD". Documents will process in the overnight cycle if scheduled. On-line update will be available to Departments again the first week in September.

Department Identified System Problems

To ensure that the statewide systems operate efficiently, Departments are encouraged to identify any system problem bugs that are encountered in their daily business. Identified problems can either be reported directly to the Helpline at (617) 727-5995 or e-mailed to the Comptroller's Internet address, comptroller@state.ma.us. When identified problems have been fixed, we will alert users as appropriate on the Comptroller's Homepage and/or the appropriate News Screens.

CTR Statewide Accounts

CTR manages three accounts on behalf of all departments. Departments that plan to use these accounts must forward documentation to CTR as soon as items are identified. For FY2003 Opening, departments should assess their potential need for these accounts:

- Prior Year Deficiencies
- Settlements and Court Judgments
- Liability Management Reduction Fund (LMRF)

Please note that the procedures for processing both prior year deficiencies and LMRF payments involve the use of chargebacks. The Prior Year Deficiency program charges expenditures made by the program back to the department's current FY funds. (See [MMARS Memo #293](#).) The Liability Management Reduction Fund administers Chapter 258 Tort Claims. Departments with tort claim activity will be assessed a premium through an IE/IV. (See Comptroller [MMARS Memo #297](#).) Requests to pay bills through the Prior Year Deficiency account must be received by May 31st to be paid from FY2002 funds.

GAAP Fixed Assets

GASB 34 requires first time capitalization of Infrastructure. Capitalization thresholds were redefined to be \$100,000 for buildings and infrastructure, \$50,000 for equipment including computers and all land. Assets will be depreciated for the first time in FY2002 and all assets must be recorded within seven days of acquisition but no later than June 30, 2002. Expect additional audit scrutiny and ensure assets are properly recorded and supporting documentation is available for audit.

SECTION 3: APPROPRIATION AND ACCOUNT MANAGEMENT

This section highlights management of accounts through both the FY Closing and FY Opening processes. You will find detailed information regarding appropriations and balances forward.

- CLOSING -

APPROPRIATION AND ACCOUNT MANAGEMENT

Account management should be a primary concern when scheduling transactions. It is the responsibility of the Departments to coordinate Secretariat and Fiscal Affairs Division approval for the prerequisite transactions.

BALANCES FORWARD (BF)

The first automated BF transaction, for appropriation account types 02, 03, and 04 will be generated after final FY Closing payroll and fringe are processed. Fringe and Indirect is scheduled to occur on July 3rd or July 5th (if payroll delays one day). BFs will process for appropriations types 02, 03 and 04 are scheduled for July 9th. Thereafter, BFs will process nightly.

BFs will not occur in appropriation account type 01 and account type 02, where the original authorization has expired, unless authorized in successive legislation and only in amounts allowed by that legislation. Appropriation account type 01 BFs will be processed manually upon enactment of the GAA or any subsequent legislation providing BF authorization. Departments with type 01 continuing appropriations should contact General Accounting regarding BF.

BFs will not process in allocation accounts unless there is a valid ISA in place for the opening BFY.

EXPIRING CAPITAL ACCOUNTS

Departments are reminded that if accounts are not re-authorized as of July 1st, Departments may not continue services of employees or contractors in these accounts. Expenditures incurred against other accounts during this time period may not be retroactively transferred to these accounts should the account be re-authorized.

- OPENING -

FY OPENING TRANSITION & CHART OF ACCOUNT ISSUES

By early May, reference, financial and rules tables will roll into FY Opening tables. Departments should review their Chart of Accounts (organization codes) and optional features (expense budgets, sub-organization codes, program codes, etc.) and PCRS rules tables (position assigned, Department defined, etc.) to determine if the current structure is meeting the Department's needs. Departments have the opportunity to modify Department defined tables (ORGN, SORG, etc.) or request modification to tables after the tables have been rolled.

The Department Assistance Bureau at CTR is centrally responsible for entering table changes on behalf of Departments for tables that are controlled through restricted access, such as PROG, etc. Please ensure that changes to tables that are time sensitive arrive at CTR as early as possible.

Requests may be sent using the form in www.mass.gov/osc/Accounting/Comptroller_forms/Comptroller_forms.html or e-mailed from an authorized signatory to Comptroller e-mail address, comptroller@state.ma.us.

OPENING FOR BUSINESS - FY2003

The Commonwealth will open its FY2003 operations according to the following criteria.

- A) **Appropriation types 01 and 04:** For budgeted fund, intragovernmental, and federal grant accounts, a provisional obligation ceiling (generally based on the Governor's House 1 recommendations) will be loaded in MMARS in early May. The Fund/Department table (FDEP) will be set to full control.

Determination may be made to load zero dollar appropriation/subsidiary records for accounts in use in FY Closing in lieu of House 1 values, and to set FDEP obligation ceiling to presence control in May, in certain cases where this seems clearly to be more practical; any Departments affected by this will be informed by FAD prior to May.

- B) **Appropriation types 02 and 03:** For capital and trust accounts, zero dollar records will be loaded in early May for all accounts scheduled to roll into FY Opening. FDEP will be set to presence control on the obligation ceiling in May, then to full control after the first balance forward occurs in July.
- C) **Appropriation types 01, 03 and 04 supporting payroll:** Zero dollar records will be loaded in early May for any accounts used for employee payrolls in FY Closing which are not already loaded in MMARS for FY Opening. After Departments transition to their authorized FY Opening accounts, these purely interim accounts will be deactivated.
- D) **Expiring appropriation type 02 accounts supporting payroll:** Capital accounts, which support payroll and are due to expire on June 30th, will not roll forward to the next FY Opening. Departments must ensure transfer of employees, as appropriate, to positions in accounts, which will be active in FY Opening.

Once accounts have been established in MMARS for FY Opening, Departments should:

- Verify that necessary employee and contractor payroll accounts appear in both MMARS and the payroll systems; and
- Begin processing necessary pre-encumbrances and encumbrances on Monday, May 13, 2002.

Departments are reminded that their obligation of funds for FY Opening is subject to appropriation.

Departments will be responsible for reducing, transferring and otherwise modifying pre-encumbrances and encumbrances as necessary to conform to the funds available and the account structure provided in the final General Appropriation Act (GAA) for FY Opening, subject to specific guidance and timeframes issued by CTR.

NEW, CONSOLIDATED OR CLOSING DEPARTMENT CHECKLISTS

If your Department is created, consolidated, closed or modified in any way as a result of the General Appropriation Act or any other legislation, contact the Payees, Payments & Tax Reporting Bureau at CTR for a copy of the “New, Consolidated or Closing Department Checklist.”

SECTION 4: PAYEE SELF SERVICE (PSS) AND TAX REPORTING CLEARINGHOUSE

This section provides information on the implementation of the Payee Self Service module of MMARS that will allow departments to register new payees and maintain the payees records with one transaction. It also addresses the connection between vendor payments and tax reporting. If the Commonwealth makes a tax reportable vendor payment with an incorrect Tax Identification Number (TIN), the Commonwealth may be fined by the IRS.

PAYEE SELF SERVICE (PSS)

In early May we will have in place a new payee registration Intranet based system for the Commonwealth departments to process Vendor Update (VU) information through Payee Self Service into MMARS. A hard copy of form W-9, T&C and/or EFT authorization request with wet signature will continue to be required as supporting documentation by the Office of the Comptroller for review and approval.

THE SYSTEM WILL PRODUCE THE VUs NECESSARY

Through PSS, the system will produce the correct number of VU's required based on the data entered into the system, (i.e. new payee registration would result in 3 VUs), through (PSS) during the nightly interface into MMARS. The system will assign the VU DOC ID(s) and capture the UAIDs.

DOC Id's

All entries approved through PSS will create the required document IDs identified in MMARS SUSF in DONE status overnight. An audit trail report will be available with DOC IDs and UAIDs.

Interfaces and Special Remittance Codes

Existing departments' VU interfaces will continue directly into MMARS and not through PSS. Modifications to the remittance code H001 will be restricted to Health Care Finance (HCF) for review. Modifications to remittance codes M001 will be restricted to Division of Medical Assistance (DMA).

Mass Finance and Vendor Web

Vendor's can see their scheduled payments and payment history by logging on Vendor Web. Here you will find; the payment date, payment number, payment reference number, contract number, line amount and the department making the payment. Vendor Web is located at <http://massfinance.state.ma.us>.

PSS will provide many enhanced system edits. Necessary information to successfully process and approve payee registration will be highlighted.

EFT

A banking ACH software will be installed for use with PSS. This will provide the user with the bank name which corresponds to the bank routing number, allowing visual confirmation of data entered.

Postal Software Interface

Postal software will be installed for use with PSS. It will supply edits for incorrect entries or questionable addresses (i.e. incorrect zip codes and street numbers). It will also provide correct postal formatting to allow most cost-effective mailing costs.

TAX REPORTING CLEARINGHOUSE

- The staff within the Payee and Tax Clearinghouse Unit is the official Commonwealth Clearinghouse for all matters related to Federal Income Tax reporting to the IRS and State Income Tax reporting to the Department of Revenue (DOR). This involves the filing as an employer and upkeep of the Internal Revenue's rules and regulations for compliance.
- The unit provides technical guidance to departments regarding their responsibilities pertaining to issuing and filing tax reporting information which is not captured at the detail level in MMARS and/or statewide automated payroll systems (HR/CMS and HRMIS).

UNPAID CHECKS

In tax year 2001, we issued form 1099 corrections because a number of payees did not receive the monies in the year MMARS had documented. We found that in each case the department was holding a check that was pulled. Departments should examine why treasury checks are being held longer than 1 day, with the objective to get them back into the system by means of a vendor specific ER or CB transaction. Departments must avoid situations that would allow checks issued in one tax year to be held until the next tax year to avoid erroneous tax reportable payments appearing in the Forms 1099's issued to payees. Departments must process a Cash Deposit (CD) and the appropriate and then the appropriate Contract Backout (CB) or Expenditure Refund (ER) transaction.

If it is a prior year refund on a non-continuing account, deposit the check into the sweep account and a Cash Transfer (CT) into the general fund. Please work with CTR Accounting Bureau on this matter for further clarification.

SECTION 5: ENCUMBRANCE MANAGEMENT

-CLOSING-

STATE FINANCE LAW REMINDER

State Finance Law requires that funding be in place before goods/services can be accepted from vendors. Specifically M.G.L. Chapter 29, Sections 26, 27 and 29 state that the Departments may not incur a liability for the Commonwealth in excess of their appropriation. This means that a Department cannot sign a contract or amendment or accept services (including employee services) or commodities in excess of a current appropriation. It further directs the Comptroller to refuse to permit the incurring of an obligation if funds are not appropriated. See also "State Finance Law in English" at http://www.mass.gov/osc/cfo/state_Finance_Law_English.html.

ENCUMBRANCE MANAGEMENT CLOSING

FAD, with the assistance of CTR, plans to handle encumbering at the FY2002 Closing in a manner very similar to last year. This means that Executive Departments must take the necessary steps to conclude their FY2002 encumbering activity in budgeted fund accounts by noon on Friday, May 31, 2002.

Effective Saturday, June 1, 2002, the transactions listed below, in the Departments listed below, will require PEND2 approval in order to be accepted in MMARS, if they are greater than \$25,000.

Transactions which are less than \$25,000 will not require PEND2 approval.

LO	Lease Order	PO	Miscellaneous Encumbrance
PD	Department Purchase Order	SC	Service Contract
PG	Price Agreement	SM	Service Modification
PH	Payroll Hold	SR	Service Request

AAB	BCA	CHS	DIA	DOR	EHS	FWE	LIB	MIL	OSD	SEA
ABC	BGT	CJT	DM	DOS	ELD	GIC	LLW	MRB	PAR	SOR
			A							
ADD	BLC	CM	DM	DPH	ENE	HCF	LRC	MRC	PER	SRC
		E	H							
AGR	BSB	CSC	DM	DPS	ENV	HLV	MAC	OCD	POL	TRB
			R							
ALA	CAD	DCP	DOB	DPU	EOL	HRD	MCB	OFC	REG	TRP
ANF	CCJ	DE	DOC	DP	EPS	HSB	MCD	OHA	RGT	VET
		M		W						
ATB	CDA	DES	DOE	DSS	EQA	ITD	MDC	ORI	RMV	WEL
BBR	CHE	DFS	DOI	DYS	EQE	JLM	MED	OSC	SCA	

In rare instances, unforeseeable circumstances may require some encumbrances and encumbrance modifications to be processed during June. Every reasonable effort must be made to avoid this.

Departments should not expect any discretionary encumbrance transactions involving increases of \$25,000 or more in budgeted fund accounts (appropriation type 01) to be approved in June. Since MMARS edits apply to transactions regardless of the account's appropriation type, transactions for all appropriation types initially will go to PEND2 in MMARS. Transactions which use budgeted fund

accounts (appropriation type 01), alone or in conjunction with accounts in other appropriation types, will be reviewed by FAD. Those which use only capital, trust or federal accounts (appropriation types 02, 03 or 04) routinely will receive PEND2 approval from CTR.

Departments should finish routine encumbering for all appropriation types by June 15th and use the balance of the fiscal year to handle adjustments. Note: The last day of the fiscal year that the Office of the Comptroller will be open for business is Friday, June 28th.

Specific guidance on the process for requesting FAD's approval of late transactions using budgeted fund accounts will be issued separately in April by the Budget Director. However, as noted above, exceptions to the May 31st deadline are expected to be very limited, and Departments are strongly advised to manage their work now so as to meet the May 31, 2002 deadline.

LEASES REVIEW OF OUTYEAR OBLIGATIONS

Guidance and policy regarding Tax-Exempt Lease Purchasing (TELP) (Object Codes L01-L13), Term Lease, and Rentals (Object Codes L21-L33) is available in Comptroller Policy Memos 281, 310, 311, and 313. These memos are located at <http://www.mass.gov/osc/Accountg/marmemos/memos.htm>. It is critical that Departments' leases are recorded in MMARS inclusive of Out-year Obligations and in accordance with these policies.

-OPENING-

ENCUMBRANCE MANAGEMENT OPENING

This section addresses encumbrance processing in FY Opening. Highlighted are procedures that differ from or enhance the routine processing of encumbrance transactions. The MMARS Procedures Manual, the <http://www.mass.gov/osc/homeview/OpenClose/OpenClose.html>, appropriate [Comptroller MMARS Policy & FY Memos](#), as well as [Section 2 \(Policy\)](#) of these FY2002 Closing/FY2003 Opening Instructions, should be consulted for routine questions.

FY Opening pre-encumbering and encumbering activities will begin the second week in May. This will provide ample time to process Service Requests (SR), Service Contracts (SC), and Lease Orders (LO). IEs may be processed starting July 1st or when the REVB table has been loaded. Departmental staff and vendors involved in this process must be made aware that these are provisional encumbrances and not legally binding transactions until the General Appropriation Act (GAA) is passed by the Legislature and signed by the Governor. Departments are responsible for ensuring that pre-encumbrances and encumbrances against the provisional FY Opening obligation ceiling do not, in aggregate, exceed amounts which they reasonably anticipate to receive in the final GAA. Once the actual GAA is loaded on MMARS, Departments should make the appropriate corrections to encumbrances in a timely manner if:

1. The account number in the GAA is different than in the provisional obligation ceiling; and/or
2. The amount of pre-encumbrances and encumbrances exceeds the level supported by the appropriations.

Other encumbering transactions may also be entered in May and June. However, they will appear as rejected documents on the suspense file until the GAA is passed. PD and PG documents that are needed for food and medicine will require special attention if they are entered prior to the loading of the GAA and should be forwarded to OSD for Approval, Attention: Deputy State Purchasing Agent. It is critical that the budget fiscal year be clearly marked on these documents.

In certain retained revenue and trust accounts, where the obligation ceiling is insufficient to meet obligations because only a portion of projected fiscal year total receipts has been collected, CTR may authorize an override. The override would only be for the "amount exceeds appropriation" error on MMARS that may be invoked on those affected encumbrance documents and must be approved by CTR/FAD before any encumbrance transactions can be processed. Departments **must** annually submit a letter to CTR Procurement Unit, on Department letterhead, signed by an authorized signatory, stating the projected fiscal year total receipts for the account(s). Requests will be reviewed with the Fiscal Affairs Division. Once this letter is approved and on file it is valid for that one fiscal year only (7/1-6/30). This request covers any encumbrance request for the fiscal year thereby doing away with the need to make this request on a transaction by transaction basis. Departments must notify CTR immediately in writing during the year if they have reason to believe that actual collections will fall short of their initial projections.

CONTRACT/LEASE SHELL AND APPROVED CONTRACT/LEASE ROLL FOR FY2002

For general information on the contract/lease shell and approved contract/lease rolls for FY Opening please refer to an upcoming Comptroller Fiscal Year memo.

TAX-EXEMPT LEASE PURCHASES (TELPS), TERM LEASES, AND RENTALS

The guidance and policy regarding Tax-Exempt Lease Purchasing (TELP) (Object Codes L01-L13), Term Leases, and Rentals (Object Codes L21-L33) are spelled out in the following available resources:

- Commonwealth of Massachusetts Procurement Policies and Procedures Handbook;
<http://www.mass.gov/osd/phand/index.htm>
- Expenditure Classification Handbook
- <http://www.osc.state.ma.us/Homeview/OpenClose/OpenClose.html>
- ComptrollerPolicy Memo #'s 281, 310, and 311;
<http://www.mass.gov/osc/Accountg/marmemos/memos.htm>
- Operational Services Division (OSD) Tax-Exempt Lease Purchase Financing Handbook and;
<http://www.comm-pass.com>

Office of the Comptroller's "Fixed Asset Subsystem User Guide" (Comptroller Policy Memo #313;
<http://www.osc.state.ma.us/Accountg/marmemos/313.html>

LOs for TELPs and Leases must be contracted for and entered in MMARS under one of the recurring payment REST table payment schedules. There are some instances where departments may have a need to negotiate a specific recurring payment for a specific contract/lease for use only by those specific departments. Please contact the Payee, Payments and Tax Reporting Unit for any additional REST table requests. Contracts must reference established REST table schedules.. It is essential that you ensure your Departments' TELPS and Leases are recorded in MMARS in accordance with these procurement and fixed asset policies *as these transactions are subject to audit.*

“OPENORDER” VENDOR CODE ENCUMBRANCES

The use of an “OPENORDER” vendor code encumbrance is **not** a procurement method. “OPENORDER” is a vendor code that allows payment to multiple contractors once an appropriate procurement has been completed. It is only an accounting treatment and does not take the place of a procurement method. Evidence of appropriate procurement must be in the Department’s Procurement File (see <http://www.mass.gov/osc/homeview/OpenClose/OpenClose.html> for applicable regulation for object code).

The Department **must** sign and have on file a Standard Contract Form or the appropriate Agreement Type as outlined in the Commonwealth of Massachusetts Expenditure Classification Handbook with every Contractor **before** performance begins **and before** payment is made against an “OPENORDER” vendor code encumbrance transaction.

The Openorder Vendor Code Encumbrance Transaction Request for Approval Form, previously referred to as Appendix G, is available on the Comptroller’s website at http://www.osc.state.ma.us/Accountg/Comptroller_forms/Comptroller_forms.html.

There is no longer an Appendix G in the Closing/Opening Instructions. The Openorder Vendor Code Encumbrance Transaction Request for Approval Form must be signed and dated by an authorized signatory of the Department, and must be attached to all “OPENORDER” vendor code encumbrance requests, including modifications.

SECTION 6: DISBURSEMENT MANAGEMENT

Under no circumstances should FY Closing funds be used for FY Opening expenditures or vice-versa, unless specifically allowed with appropriate legislative language.

- CLOSING -

PAYMENTS (PV)

Payments after June 1st must reference encumbrances. The system will automatically reject Payment Vouchers (PVs) entered after June 1st without an encumbrance. Departments are reminded to confirm with vendors that all goods and services are to be received or completed by June 30th. All goods and services paid for with FY Closing funds must be received by June 30th. If a product acceptance period is required, it must conclude prior to August 31st.

PROCESSING OF PVs

Accounts payable PV transactions in the suspense file that are not in DONE status overnight on June 30th /July 1st may reject on July 1st with a variety of error messages and must be corrected:

- If transaction date is 06 30, or before, use accounting period 01 2003 and leave budget fiscal year blank.
- If transaction date is 07 01, or after, leave the accounting period and budget fiscal year blank.

READY PAYMENT SYSTEM (RP)

Ready Payment transactions will be system-produced throughout the accounts payable period.

REVENUE REFUNDS (RF)

RFs entered into MMARS on July 1st will go to PEND5 until accounting period 12 closing and require CTR approval. CTR will ensure that all FY Closing refunds are posted to the Closing FY's accounting period 12.

REQUEST FOR ADVANCE (RA), EXPENDITURE OF ADVANCE (EA),ADVANCE REFUND (AR)

The Department must account for all FY Closing advances before a FY opening advance may be processed. In most cases, the target date is July 10th but no later than August 31st. This accounting is performed through documentation of the expenditure of the advance (EA) or cash repayment of any balance remaining by processing an advance refund (AR).

In order to close the type 05 (Dynacash) FY advances, the following steps must be taken:

1. The Department deposits a check into its sweep account and prepares a negative CD. (Do not enter the CD decrease into MMARS.)
2. The Department prepares an AR and enters the AR into a PEND5 status.
3. The Department mails the original AR, along with the negative CD, to TRE.
4. When the moneys appear on the TRE cash sheet, CTR approves the AR. There is no need to send a copy of the AR to CTR.

DEPARTMENTS WITH EMERGENCY PAYROLL DYNACASH ACCOUNTS

This subsection specifically pertains to Dynacash accounts used for emergency payroll payments at fiscal year end.

All Departments must account for FY closing advances prior to FY opening advance requests. We recognize that there is a timing issue for Dynacash accounts and related advances processing at fiscal year end when there have been emergency payment(s) issued.

If there is a need to issue an emergency payroll check from a Department's Dynacash account for the payroll period June 2nd –15th (checks dated June 21), then the recoupment of the Dynacash amount in the following payroll cycle, June 16th - June 29th will be credited back to the Departments' Dynacash account on July 5th.

If there is an employee check problem during the June 16th - June 29th cycle, a Dynacash would need to be issued on July 5th. This payment must be issued from an FY2003 advance. FY2003 request for advance (RA) may be entered into MMARS during June in a reject status. Documentation should be forwarded to our office and will then be processed on July 2nd. If necessary, RAs can be also be processed on July 2nd and July 3rd. Please e-mail Payment Unit see www.mass.gov/osc/Staffinfo/ContactList.html with any emergency requests.

There may be a few of these same Departments which will have FY opening requests for July 5th payroll checks pending before the return of the FY closing advance. In those cases, the request for the FY opening advance must be accompanied by CFO's verification that a Dynacash deduction is pending for a July 5th credit.

EXPENDITURE CORRECTIONS (EX/XA)

EX and XA documents to correct closing year activity should be submitted no later than the close of the accounts payable period. EXs and required XAs, with proper documentation, should be submitted to the General Accounting Bureau at CTR. **Expenditure corrections for the closing BFY entered after September 6th will not be processed.**

INTERDEPARTMENTAL VOUCHER (IV)

All FY Closing IVs entered into MMARS between July 1st and August 31st will go to PEND5 and require CTR approval. CTR will ensure that all FY Closing IVs are posted to the Closing FY's accounting period 12.

- OPENING -

PAYMENTS

Unless specifically authorized by CTR, all disbursements will be processed through MMARS with payee/customer data. The Commonwealth's Bill Paying Policy is updated in [MMARS MEMO #289](#).

COMMUNICATION WITH PAYEES AND CUSTOMERS

The Payment Reference Number is the primary communication vehicle on the remittance advice (both electronic and paper). This number is 22 characters to match the industry standard and must be unique for each payment made to a payee/customer. As part of a Department's opening activities, it is encouraged that a Department review its procedures for establishing Payment Reference Numbers. Where possible, payees should be consulted prior to a change in the basic data or format of the payment reference number.

REMITTANCE ADVICE INFORMATION FOR CHECKS AND ELECTRONIC FUNDS TRANSFER (EFT)

EFT is preferred over check as the form of payment. See EFT Authorization Form www.mass.gov/osc/Accountg/Comptroller_forms/Comptroller_forms.html. The remittance advice information that appears with a check is also sent with the EFT. Many banks provide a hard copy of the "electronic remittance advice", if requested by the vendor. Departments may want to recommend that a vendor inquire as to the availability of this information from the bank. An alternative is Vendor Web which is accessible from the Comptroller's Home Page and provides the same payment information provided to the vendor's bank. The remittance advice information available in MMARS is in the form of Standard Text, Payment Reference Number Related Data and Payment Reference Number Text and appears in that order on the remittance advice. Each is explained below:

VENDORWEB

This application was created to help the Commonwealth's vendors get their payment information easily. Vendors access VendorWeb with their Commonwealth vendor code. Vendors can get information on what they have been paid and what is scheduled to be paid. Payment information can be generated using date ranges and can be sorted by a selected Department or by payment from all Departments. <http://mass.gov/massfinance>.

STANDARD TEXT CODE TABLE (STXT)

Five lines of text, with 60 positions per line, are available for each payment. This text should represent a "global" message that Departments wish to send, such as a change in location of the Department or of a particular office. The STXT table is used to enter the message and the "Standard Text Code" field on the PV, RP and RF is used to record the code for the message. This message appears on checks only.

PAYMENT REFERENCE NUMBER RELATED DATA

Two lines of payment reference number related data appear next in the remittance advice. Line 1 includes the Payment Reference Number, the Document ID of the payment and the Department telephone number, found on the Department Contact Table (DCON). Line 2 includes the Department Name and Department Orgn, also on the DCON Table. This data appears on both EFT and checks.

PAYMENT REFERENCE TEXT TABLE (PTXT)

Four lines of text, with 60 positions per line, are available for each Payment Reference Number on each payment. The PTXT is used to enter the message that the Department wants to associate with a particular payment reference number. This data appears on both EFT and checks.

Departments should also encourage vendors to obtain payment information using their vendor code on the “Vendor Web” website at: <http://mass.gov/massfinance>.

REQUEST FOR ADVANCES (RAs)

No requests for advances will be approved for FY Opening until all FY Closing advances are properly accounted for. (Exception see **Departments with Emergency Payroll Account**)

There may be a few of these same Departments which will have FY opening requests for July 5th payroll checks pending before the return of the FY closing advance. In those cases, the request for the FY opening advance must be accompanied by CFO’s verification that a Dynacash deduction is pending for a July 5th credit.

ELECTRONIC BENEFITS TRANSFER (EBT)

Recipients of Temporary Aid to Needy Families (TANF), Emergency Assistance for the Elderly, Disabled and Children (EAEDC) and the Federal Food Stamp (FS) programs access their monthly benefits by utilizing an electronic debit card at Automated Teller Machines (ATM) and certified food stamp retailers. Massachusetts is a member of a seven-state coalition (NCS) that is in the process of implementing EBT in the New England/New York region.

SECTION 7: PAYROLL MANAGEMENT

This section of the Closing/Opening Instructions encompasses procedures for payroll.

- CLOSING -

PAYROLL REJECTS (XD)

A Payroll Reject, the PCRS XD transaction (Same for UMS), is generated when a payroll expense, which is processed by HR/CMS (e*mpac for UMS), has missing or erroneous data (i.e., incorrect expense budget or a missing program code). All FY2002 payroll reject transactions and payroll accounts with negative uncommitted and unexpended balances must be corrected by **July 19, 2002**. Departments must post payroll rejects to accounting period 12 to insure that payroll expenditures are recorded in the appropriate fiscal year.

REGULAR EMPLOYEE AND CONTRACTOR PAYROLL REFUNDS

For payroll refunds, Departments are required to process the Expenditure Refund (XE) transaction for payroll processed through PCRS or a MMARS Contract Backout (CB) for contractor payroll on or before June 30th. Payroll refunds for non-continuing accounts, such as account type 01, received after July 1st, should be processed using the PCRS XC transaction for HR/CMS business. These will be treated as miscellaneous revenue in the FY Opening. Payroll Refunds for continuing accounts, such as federal or trust accounts, received after July 1st should be processed through the PCRS XE transactions and will be credited to the Department's FY Opening account.

COMPENSATED ABSENCE REPORTING

Reconciliation of compensated absence reporting for employee vacation and sick leave balances is no longer necessary under HR/CMS. HR/CMS has 100% of all time and attendance and leave balances for Commonwealth employees; it is the official record of the Commonwealth. Report HMBEN008 as of June 30th is the official record for audit.

Data for the Early Retirement Incentive Plan (ERIP) accruals will be compiled as of June 30, 2002. Departments must verify that all accrued vacation and sick leave buyback balances are recorded on HR/CMS.

ACCOUNTS PAYABLE PAYROLL

Regular Employees and Fund 900 Contract Employees

The final FY2002 payroll will be pay period ending July 13, 2002. Since the fiscal year end of June 30th falls on the first day of the pay period, the split fiscal year processing will occur between FY2002 and FY2003.

Payroll charges for June 30 will appear in separate fiscal year reports.

Since the Payroll period will be split between Fiscal Years, any Pre June 30th postings will be considered FY 2002 expenditures and will not charge to a Payroll Hold (PH).

Departments will have three opportunities to process accounts payable payrolls between July and August for services performed during FY2002 which compensation is still owed. A MMARS payroll hold (PH) transaction must be established in MMARS prior to accounts payable payrolls being processed. (See [Appendix B](#) for schedule.)

CONTRACT EMPLOYEES (NON FUND 900)

HR/CMS offers an Accounts Payable option for contract employees. For employees that performed services during FY2002 for which they have not yet been compensated, Departments will be required to reference the FY2002 HR/CMS position and FY2002 MMARS service contract (SC) during July and August. This process will take place during the regular and biweekly payroll. Go to the following web site for instructions on the A/P: <http://www.mass.gov/osc/payinfo/payroll.htm> and proceed into the Policies/Procedures bulletin.

DEPARTMENTS WITH EMERGENCY PAYROLL DYNACASH ACCOUNTS

This subsection specifically pertains to Dynacash accounts used for emergency payroll payments at fiscal year end.

All Departments must account for FY closing advances prior to FY opening advance requests. We recognize that there is a timing issue for Dynacash accounts and related advances processing at fiscal year end when there have been emergency payment(s) issued.

If there is a need to issue an emergency payroll check from a Department's Dynacash account for the payroll period June 2nd –15th (checks dated June 21), then the recoupment of the Dynacash amount in the following payroll cycle, June 16th - June 29th will be credited back to the Departments' Dynacash account on July 5th.

If there is an employee check problem during the June 16th - June 29th cycle, a Dynacash would need to be issued on July 5th. This payment must be issued from an FY2003 advance. FY2003 request for advance (RA) may be entered into MMARS during June in a reject status. Documentation should be forwarded to our office and will then be processed on July 2nd. If necessary, RAs can be also be processed on July 2nd and July 3rd. Please e-mail Payment Unit www.mass.gov/osc/Staffinfo/ContactList.html with any emergency requests.

There may be a few of these same Departments which will have FY opening requests for July 5th payroll checks pending before the return of the FY closing advance. In those cases, the request for the FY opening advance must be accompanied by CFO's verification that a Dynacash deduction is pending for a July 5th credit.

- OPENING -

NEW FISCAL YEAR REGULAR AND FUND 900 CONTRACT EMPLOYEE PAYROLL PROCESSING

For budgeted funds, intragovernmental and federal grant accounts, provisional obligation ceilings will be loaded in MMARS in early May.

Employee payroll will be processed and payments will be issued as long as there is an approved interim budget. No special processing is required if your FY Closing payroll account will continue in the provisional accounts loaded for FY Opening.

However, if a FY Closing payroll account will not continue into FY Opening, (i.e., your FY Opening provisional account is different than your FY Closing account) the following applies:

1. Your FY Closing payroll account will roll to FY Opening with zero dollars for convenience of processing.
2. Departments must request position transfer from HRD to align charges to the new FY account
3. Departments can request PCRS alternate account rules until (#2) the position transfers occur. Instruction for entering alternate account rules are found in the PCRS manual. http://www.osc.state.ma.us/Payinfo/payroll/PCRS_manual/pcrs_manual.htm.

Regular employee payroll supported by account types "02" (capital appropriations) and "03" (non-budgeted and trust accounts) will not be affected as long as they have MMARS ASTA table end dates later than June 30, 2002. The uncommitted/unexpended edit will be lifted until the balance forward commences.

After the FY Opening General Appropriation Act (GAA) has been loaded in MMARS, Departments must reconcile the accounting discrepancies resulting from the fiscal year transition period. CTR, HRD, ITD and FAD staff will be available to assist Departments on FY Opening account structuring, position scheduling, and other changes that may be required by the FY Opening GAA, once it is signed by the Governor.

Reminder: The final FY2002 Payroll will end with the pay period ending July 13th. There will be a split fiscal year payroll for 2002-2003.

Departments should take the necessary steps to update their employees' PCRS Labor Cost Accounting Defaults to accurately reflect any accounting changes for the FY Opening. During the split pay period, both the Closing and the Opening fiscal year defaults and exception screens will be available to Departments for posting purposes.

NEW FISCAL YEAR CONTRACT EMPLOYEE PAYROLL PROCESSING

MMARS SERVICE CONTRACT SET-UP

A New FY2003 Service Contract (SC) in MMARS must be in place for any contract employee before time and attendance is posted for the first week in July if the employee will perform services during that week.

The data must be entered on the HR/CMS MMARS' contract panel. This panel is the link between HR/CMS and MMARS. If a Department enters inaccurate data on this panel, the contractor will appear on the RPT647A-MMARS Predictive Payroll Reject listing report. Once they are on this report the contractor will not be paid until a corrective action has been taken.

Once the contract is set up properly in MMARS and HR/CMS, contract employee payroll will be processed and payments will be issued as long as there is an approved interim budget.

HR/CMS POSITION SET-UP

If the contractor's position number for FY2002 is unchanged in FY2003, an automatic roll will occur on June 30th to align the position with the new fiscal year account code on the Position Panel. The Department must enter the new FY2003 service contract (SC) data in the HR/CMS MMARS Contract Information panel. The path is as follows: Select Administer Workforce (US)/Use/MMARS Contract Information/Update/Display all.

For a contractor moving into a new position for FY2003, a new position needs to be created and the new position must be reflected in the job panel of the employee ID. The Department must also enter the new FY2003 service contract (SC) data in the HR/CMS and MMARS' contract panel.

SPLIT WEEK

June 30th falls on the first day of the pay period, to pay a contracted employee for June 30th or any FY 2002 services, departments must reference FY 2002 SC's. *See Instructions on Split week.*

CONTRACTOR PAYROLL

Every contract employee must have valid FY2003 data to be paid in FY2003:

- 1) A valid Service Contract (SC) in MMARS.
- 2) A valid position in HR/CMS:
 - a) Assigned to a valid MMARS Account Code, and
 - b) Having a valid MMARS SC entered on the HR/CMS MMARS Contract Panel

Both of these transactions must be in place for any contract employee by the end of June if the employee will perform services beginning July 1st.

ENCUMBRANCES WITH “OPENORDER” VENDOR CODE FOR PAYROLL

The “OPENORDER” is a vendor code that allows payment to multiple contractors once an appropriate procurement has been completed. It is only an accounting tool and does not take the place of a procurement. Evidence of appropriate procurement must be in the Department’s Procurement File (see Commonwealth of Massachusetts Expenditure Classification Handbook for applicable regulation for object code). The use of an “OPENORDER” vendor code encumbrance is not a procurement method. The Department must sign and keep on file a Standard Contract Form or the appropriate Agreement Type as outlined in the Commonwealth of Massachusetts Expenditure Classification Handbook with every Contractor before performance begins and before payment is made against an “OPENORDER” vendor code encumbrance transaction.

The Openorder Vendor Code Encumbrance Transaction Request for Approval Form, previously referred to as Appendix G, is available on the Comptroller’s website at

http://www.osc.state.ma.us/Accountg/Comptroller_forms/Comptroller_forms.html.

The Openorder Vendor Code Encumbrance Transaction Request for Approval Form must be signed and dated by an authorized signatory of the Department, and must be attached to all “OPENORDER” vendor code encumbrance requests, including modifications. Also, priority will be given to payroll documents that are clearly marked HR/CMS or that utilize the CTR Encumbrance/Contract Transmittal form, previously referred to as Appendix F. This form is available at

http://www.osc.state.ma.us/Accountg/Comptroller_forms/Comptroller_forms.html.

There is no longer an Appendix F in the Closing/Opening Instructions.

PCRS FY ROLLOVER INSTRUCTIONS

The FY Opening is an excellent time to review labor schedules and payroll accounting distributions, and to set up PCRS tables accordingly.

Departments have the option of having their PCRS tables and defaults rolled over from the previous fiscal year by indicating such on the PCRS Rollover Table (Selection 24 on the PCRS Rules Menu). The PCRS Rollover Table defaults to a setting of “Y”, which means that all PCRS rules and default tables *will roll over* into the next fiscal year.

RULES ROLL

During the 1st week of May, all PCRS *approved* rules will roll over to a pending status for the new fiscal year, after which Departments must submit FY2003 rules documentation to CTR’s Payroll Unit for review and electronic approval.

DEFAULTS ROLL

During the 1st week of June, all PCRS FY2002 *defaults* will roll over into the new fiscal year. Edits are performed on FY2003 defaults against approved FY2003 rules. After this roll, Departments may verify and modify FY2003 defaults.

If Departments decide that some, or all, of their PCRS Rules tables should not be rolled over into the next fiscal year, they must enter an “N” on the PCRS Rollover Table next to those tables they do not want rolled over. In addition, if Departments choose not to have their current defaults rolled over into the next fiscal year, they must enter an “N” next to the “Labor Defaults” field located on the PCRS Rollover Table. Their new fiscal year defaults will then be inferred by PCRS at the statutory level only (Department, MMARS org, Account, Subsidiary, Object Code).

More details can be found in the “[Fiscal Year PCRS Rollover Tutorial](http://www.mass.gov/osc/payinfo/payroll.htm)” at the following web site address:
<http://www.mass.gov/osc/payinfo/payroll.htm>

PAYROLL CERTIFICATION

All expenditures of the Commonwealth must be authorized in accordance with M.G.L. Chapter 29, Section 20 and Chapter 7A, Section 3. Expenditures for payroll are no different than expenditures for goods and services when it comes to the approval process.

[MMARS Memo #292](#), issued January 19, 2000 formalized the requirement to approve payroll expenditures under HR/CMS, now that all employees are paid in arrears based on a centralized time and attendance system. The certification is:

“This payroll has been processed in accordance with the Commonwealth’s Payroll Expenditure Policy, State Finance Law and this department’s Internal Control Plan. The amount listed has been certified to the Comptroller through the payroll system for payment. This certifies that time and attendance for each employee is on file in this department and approved by the appropriate manager to support amounts paid. This approval and supporting details will remain on file in this department for three years for review by the Office of the Comptroller or other auditing entity.”

The Office of the Comptroller will be following up with departments to insure that certifications are on file. As part of the FY2002 Single Audit, these certifications will again be reviewed.

SECTION 8: CASH RECEIPTS AND REVENUE

The clear and accurate accounting for cash and revenue is an important element in the closing and opening. This section conveys important information regarding cash and receivables.

- CLOSING -

RECEIVABLES (RE, RI, RD, and WO)

Revenue earned prior to June 30th must be recorded as a FY2002 transaction.

- PEND5 approvals for FY2002 REs, RIs and RDs will be from July 1, 2002 to July 10, 2002 or the cut-off date will coincide with the running of the GAAP reports 286F and 286G.
- All revenue transactions in a PEND5 status must be sent to the Revenue Bureau in writing, attention Lillian Bennett, in order to be approved for FY2002.
- All write-off (WO) requests must be sent to the Revenue Bureau in writing by June 7th, attention Maria Bottari, in order to be approved for FY2002.
- Departments will not be allowed to write in non BARS receivable adjustments on their 286F and 286G reports. All BARS adjustments must be entered in MMARS before the PEND5 cut off date.
- Recurring receivables (REREs), scheduled to generate during the PEND5 period will process, go to a PEND5 status and be approved automatically. No special handling will be required for Departments using REREs.

CENTRAL DRAW DEPARTMENTS

Departments participating in the automated central draw should insure that there is no interruption in the draw process. Interruptions occur when federal reporting requirements are not met or when Department reconciliations are not performed timely. During the closing period, the automated central draw will post federal revenues to the appropriate state budget fiscal year to match the processing of payments. CTR will notify Departments which draws fail in order to determine and effect a prompt solution.

NON CENTRAL DRAW DEPARTMENTS

Departments unable to participate in the automated central draw process are expected to prepare their draw requests timely. For those Departments whose programs are included in the federal/state agreement for CMIA, draws should be completed in accordance with the agreement signed by the Department. For programs not included in the CMIA agreement, draws should be completed and receipts posted to MMARS within two weeks of the expenditure date.

ADVANCE REFUNDS (AR), CONTRACT BACKOUTS (CB), EXPENDITURE REFUNDS (ER/XE)

AR, CB, ER and XE documents must be deposited in the bank by noon of the first business day in July.

Expenditure Refunds (ER and XE) for budgetary accounts (type 01) received for the prior fiscal year after the first business day in July should be processed through the XC transaction, of the new budget fiscal year. These will be treated as miscellaneous revenue in the FY Opening. Expenditure Refunds for continuing accounts, such as federal or trust accounts etc., received after the first business day in July, should be processed using the MMARS ER transaction or the PCRS XE transaction for payroll expenditure refunds.

Because of the matching process between TRE deposits and MMARS documents in approving AR, CB, ER and XE documents, the above guidelines must be followed in order to ensure that the transactions are recorded in the proper fiscal year. Departments are responsible for resolving AR, CB, XE and ER documents on both the MMARS suspense file and the PCRS holding file. Please see [Appendix A](#) for special dates on XE/XC.

REVENUE REFUNDS (RF)

Please refer to [SECTION 6](#), Disbursement Management, of these instructions for information on processing RF documents during the months of June and July.

RECONCILIATION OF REVENUES

To ensure that cash and revenue are properly reflected, Departments should use the following reports to reconcile receipts:

Report 467A Advance Refunds
Report 469A Cash Receipts
Report 468A Expenditure Refunds (CB, ER & XE)
Report 430A Receivable Detail

Departments requiring adjustments after the close of period 12 should contact the Accounting Bureau at CTR.

CLEARING ACCOUNTS

To ensure that all deposits reflected in clearing accounts are fully allocated for FY Closing, Departments should enter CTs in MMARS at the same time that deposits are made for cash received through June 30th. All cash received through the close of business on June 30th must be deposited by noon on July 1st. All CTs should be entered in MMARS by Tuesday, July 2nd. Departments should enter accounting period 12-2002 onto the CT transaction: **DO NOT LEAVE THE ACCOUNTING PERIOD BLANK**. Initially, these CTs may be in "REJECT" STATUS on SUSF, but during the nightly cycle they will automatically be clearing these documents. **ALL CLEARING ACCOUNTS (FUND 699) MUST BE ZEROED OUT BY THE CLOSE OF PERIOD 12.** Departments needing assistance should contact the General Accounting Bureau, at CTR.

ELECTRONIC TRANSFERS (WIRE OF DEPT. BANK DEPOSITS TO TRE)

Receipts credited through electronic transfers, such as lock boxes, must be received by June 30th for posting on FY2002 revenue. The Office of the State Treasurer will complete its sweep of lock box and intermediary banks on July 1st. Deposits made after June 30th will be considered FY2003 business.

LOCKBOXES

Deposits received at all Commonwealth sponsored lockbox banking facilities by 11:59 p.m. on Sunday, June 30, 2002 must be recorded in MMARS as FY2002 revenue.

The lockbox operator will segregate the FY2002 deposits and process them by 12:00 p.m. on Monday, July 2, 2002. Departments must reconcile the lockbox deposit register to MMARS to ensure that the deposits have been recorded in the appropriate fiscal year.

DEBT COLLECTION

The Commonwealth's statewide contract for debt collection services engages private debt collection agencies to collect outstanding debt on behalf of the Commonwealth.

All FY2002 collections made by a debt collection agency on behalf of Departments must be deposited into the Department's approved bank account by noon July 1, 2002. FY2002 Payment Vouchers (PV) for all cash received by the fiscal year closing will be processed during the Accounts Payable period. Any funds deposited after 12:00 p.m. on July 1, 2002 will be recorded as FY2003 revenues. "Please see Comptroller Policy Memo #318" at <http://www.mass.gov/osc/Accountg/marmemos/318.html> or <http://www.mass.gov/osc/accountg/marmemos/memos.html>.

INTERCEPT

As part of CTR's debt management function, M.G.L. C. 7A §3 and 815 CMR 9.06 authorize the Comptroller to automatically offset eligible payments to delinquent debt for entities who act as vendors and customers to the Commonwealth of Massachusetts. All intercepts performed by June 30, 2002 will automatically be recorded as FY2002 revenue.

- OPENING -

RETAINED REVENUE ACCOUNTS

Certain Departments have legislative authority to retain and spend specific types of receipts. After the GAA is loaded, Departments should review the Current Estimated Receipt and Receipt Ceiling amounts loaded on MMARS APR1 screen. If an adjustment seems needed, the Department should contact its Fiscal Affairs Division analyst.

If the ASTA record has a Receipt Option equal to "Y", then the APR1 screen should show an amount greater than zero in the Receipt Ceiling (and possibly in the Receipt Floor field, as well). If both floor and ceiling amounts are zero, revenues deposited will not update the account. Ceilings will be established when the GAA has been passed.

Departments with new retained revenue accounts must contact CTR accounting to coordinate revenue budget set-up.

If your Department has further questions regarding retained revenue accounts or revenue budgets, please contact the General Accounting Bureau at CTR before a deposit is made to one of these accounts.

CROSS FISCAL YEAR REVENUE

FY2002 receivables with an outstanding balance at the end of period 12 will roll into FY2003. PRIOR ACCURED REVENUE field on the REVB FY2002 revenue collections referencing prior year receivables will reduce the PRIOR ACCURED REVENUE field in the REVB.

SECTION 9: GAAP, FIXED ASSETS, AND SPECIAL HIGHER EDUCATION REPORTING

GENERALLY ACCEPTED ACCOUNTING PRINCIPLES (GAAP)

Since FY1986, the Commonwealth has issued an audited Comprehensive Annual Financial Report (CAFR) with financial statements prepared according to [Generally Accepted Accounting Principles \(GAAP\)](#). Since FY1990, the CAFR has received an unqualified opinion from the independent auditors, and the CAFRs for FY1990 through FY2000 have been awarded the Government Finance Officers Association's (GFOA) Certificate of Achievement for Excellence in Financial Reporting. The FY2001 CAFR has also been submitted to the GFOA Certificate of Achievement Program.

These GAAP based CAFRs, and their recognition for excellence, are increasingly important to the financial community as a measure of the Commonwealth's fiscal responsibility. The quality of CAFR financial information depends upon individual and departmental efforts to prepare timely, accurate GAAP reporting packages.

The Commonwealth will be preparing the FY2002 CAFR under the new financial reporting guidelines of Government Accounting Standards Board (GASB) Statement No. 34. Because of GASB 34 implementation, all departments are required to complete their GAAP reporting on time.

The basic FY Closing Departmental GAAP Instructions including forms will be issued by April 30. The GAAP reporting package is due back to CTR by the first Monday in August. Any department that submits beyond this deadline may be subject to an audit finding.

Encumbrance management practices will again be relied upon to provide the basis for most accounts payable reporting. Information from the fixed asset sub-system of MMARS will also be relied upon. Departments which prepare GAAP information beyond the basic GAAP Departmental reporting will be contacted individually to review and coordinate FY Closing special GAAP reporting.

As in prior years, separate GAAP Instructions will be published to provide a detailed walk-through of procedures and sample forms/reports to be used. Major points of emphasis will be:

- 1). Use of BARS reports to support analysis of accounts receivable, allowances for uncollectibles and deferred revenue. Special assistance will be provided to Departments with complicated reporting issues. **All BARS adjustments must be entered in MMARS before the PEND5 cut off date of July 12, 2002.**
- 2). Timely Departmental review and update of HR/CMS data to support accurate compilation and audit of compensated absence accruals.
- 3). Focus on leases, both operating and capital, including TELPS, to ensure the accuracy of FY Closing LO data that is rolled forward to create FY Opening approved leases on June 14th.

GAAP concepts and due dates will be covered in Closing and Opening training. Separate training sessions on the specialized reporting will be scheduled if necessary.

FIXED ASSETS

Departments which own fixed assets are responsible for the recording of all acquisitions, betterments, changes, transfers, and dispositions for GAAP fixed assets. Certain leases are also required to be identified as fixed assets. Please refer to the Comptrollers Policy Memos #310, 311 and 313, <http://www.mass.gov/osc/accountg/marmemos/memos.htm> and [Procurement Policies and Procedures Handbook Chapter 4](#) for additional information.

- Departments should now be processing all their FA, FB, FC, FD and FT transactions **at the time of acquisition of the asset.**
All Fixed Asset transactions must be done in MMARS by June 30, 2002. Any FY2002 transactions processed beyond June 30, 2002 may be subject an audit finding.
- The FC transaction requires a PEND5 approval. Copies of FCs should be forwarded to Office of the Comptroller Capital Accounting Bureau. Supporting documentation must be submitted with any FC that requires a cost change. This could include any invoice and/or PV that reflects the correct cost of the asset.

The following reports have been added to the list of Fixed Asset Reports and are available to Departments on View Direct and/or Document Direct:

List of Current Fiscal Year Fixed Asset Reports:

RPT850A	Fixed Asset Transaction - Weekly Detail Report By Fiscal Year
RPT850B	GAAP Fixed Asset Acquisition Transactions by Secretariat, Department, Asset Type by Fiscal Year (FA, FB)
RPT850C	GAAP Fixed Asset Disposition Transactions by Secretariat, Department, Asset Type by Fiscal Year (FD)
RPT850D	GAAP Fixed Asset Acquisition Transactions by Secretariat, Department, Fund by Fiscal Year (FA, FB)
RPT850E	GAAP Fixed Asset Disposition by Secretariat, Department, Fund by Fiscal Year (FD)
RPT850F	GAAP Fixed Asset Acquisition by Secretariat, Department, Transaction Code by Fiscal Year (FA, FB)
RPT850G	GAAP Fixed Asset Disposition by Secretariat, Department, Transaction Code by Fiscal Year (FD)
RPT850H	GAAP Fixed Asset FT Report by Secretariat, Department by Fiscal Year
RPT851B	Non-GAAP Fixed Asset Acquisitions by Secretariat, Department, Type by Fiscal Year (FA, FB)
RPT851D	Non-GAAP Fixed Asset Acquisition Transactions by Secretariat, Department, Fund by Fiscal Year (FA, FB)
RPT851F	Non-GAAP Fixed Asset by Secretariat, Department, Transaction Code by Fiscal Year (FA, FB)

Complete List of Fixed Assets Reports:

RPT852A	GAAP Fixed Asset Inventory Report by Fiscal Year
RPT852B	Fixed Asset Inventory Report by Fiscal Year (A complete list of all GAAP & Non-GAAP assets)
RPT852C	Non-GAAP Fixed Asset Inventory Report by Fiscal Year
RPT 852D	Fully Disposed Assets Inventory Report by Fiscal Year

- Final closing Fixed Asset transactions must be processed in MMARS by Sunday, June 30, 2002.
- Departments which do not have any Fixed Asset information to report must send a letter to that effect to the Office of the Comptroller Capital Accounting Bureau.

SPECIAL HIGHER EDUCATION REPORTING

STATUTORY BASIS:

In FY2002, MMARS detail by Institution for non-appropriated funds will again be included in the Commonwealth's Statutory Basis Financial Report (SBFR).

To meet the publication deadline of October 31st for the statutory report (SBFR), Institutions must:

- Complete the MMARS posting of FY2002 statutory basis non-appropriated receipts and disbursements by the end of July. From the close of period 12, special coordination with CTR will be required. Departments should enter transaction, coded with accounting period 12 2002, and quick edit until the only error message is "accounting period closed". Institutions should then contact CTR for final processing.
- Post-statutory basis accounts payable to MMARS using encumbrances by June 30, for Fund 900.
- For Fund 901, provide supplemental information for statutory accounts payable by the second Friday in August.
- On or before September 13th, Higher Education Institutions must submit fixed asset information and operating and capital lease information for the Commonwealth's SBFR. The fixed asset information should include the amount of fixed assets acquired from capital leases. This information will be disclosed in the notes to the audited financial statements of the Institution.

By September 1st, the MMARS trial balance report (RPT110H) will be available on View Direct. This will provide the basis for final reconciliation between MMARS non-appropriated information and each Institution's internal systems. The due date for final reconciliation's is the 2nd Friday in September.

In conjunction with the Commonwealth's FY2002 single audit, staff from the SAO, CTR or the Commonwealth's independent audit firm will visit several Institutions to test compliance with the non-appropriated funds reporting requirements. Such testing is included within the FY2002 audit scope, and it is anticipated that these on-site audits will occur from June through October, 2002. After audit adjustments are recorded in MMARS, final statutory basis trial balance reports will be distributed to the Institutions in November. These reports will support the individual Institution detail published in the Commonwealth's FY2002 SBFR.

GAAP BASIS (GASB 35 IMPLEMENTATION):

All institutions will issue audited financial statements in accordance with AICPA-GAAP. These audited financial statements must be issued by October 15, 2002, with an unqualified opinion. The Institution must also provide a reconciliation from MMARS statutory basis information to the audited financials, and separate analysis related to the Schedule of Federal Financial Assistance. The reconciliation must be reviewed by the Institution's independent auditors and noted in the footnotes to the financial statements. All institutions should refer to GASB 35 guidance issued by the Comptroller's Office at http://www.mass.gov/osc/accountg/HigherEd/gpackage_HigherEd_01audit_063001.htm.

All higher education institutions are required to submit the federal student loans schedules and the guaranteed student loan schedule. (See Higher Education Guidance Package for Audited Financial Statements).

APPENDIX A

CLOSING/OPENING KEY DATES

APRIL/MAY 2002

DATE	APPRO/ACCT MANAGEMENT	ENCUMBRANCE MANAGEMENT	DISBURSEMENT MANAGEMENT	PAYROLL MANAGEMENT	CASH AND REVENUE MANAGEMENT	GAAP, FIXED ASSETS AND SPECIAL HIGHER EDUCATION
APRIL 25, 2002 THURSDAY		REQUEST FOR EXEMPTION FROM SHELL CREATION FOR SERVICE CONTRACTS (SC) AND LEASE ORDERS (LO)				
APRIL 26, 2002 FRIDAY	CLOSE/OPEN MEETING WORCESTER STATE COLLEGE 10:00 A.M.-12:00 P.M.	CLOSE/OPEN MEETING WORCESTER STATE COLLEGE 10:00 A.M.-12:00 P.M.	CLOSE/OPEN MEETING WORCESTER STATE COLLEGE 10:00 A.M.-12:00 P.M.	CLOSE/OPEN MEETING WORCESTER STATE COLLEGE 10:00 A.M.-12:00 P.M.	CLOSE/OPEN MEETING WORCESTER STATE COLLEGE 10:00 A.M.-12:00 P.M.	CLOSE/OPEN MEETING WORCESTER STATE COLLEGE 10:00 A.M.-12:00 P.M.
APRIL 30, 2002 TUESDAY	CLOSE/OPEN MEETING ONE ASHBURTON PL. 9:00 A.M. – 10:30 A.M. 11:00 A.M. – 12:30 P.M.	CLOSE/OPEN MEETING ONE ASHBURTON PL. 9:00 A.M. – 10:30 A.M. 11:00 A.M. – 12:30 P.M.	CLOSE/OPEN MEETING ONE ASHBURTON PL. 9:00 A.M. – 10:30 A.M. 11:00 A.M. – 12:30 P.M.	CLOSE/OPEN MEETING ONE ASHBURTON PL. 9:00 A.M. – 10:30 A.M. 11:00 A.M. – 12:30 P.M.	CLOSE/OPEN MEETING ONE ASHBURTON PL. 9:00 A.M. – 10:30 A.M. 11:00 A.M. – 12:30 P.M.	CLOSE/OPEN MEETING ONE ASHBURTON PL. 9:00 A.M. – 10:30 A.M. 11:00 A.M. – 12:30 P.M.
APRIL 30, 2002 TUESDAY						GAAP DISTRIBUTION #1
MAY 1, 2002 WEDNESDAY	MMARS REFERENCE & FINANCIAL TABLES ROLL INTO FY2003 (EXCEPT BANK AND IBDC) FY2003 WAREHOUSE TABLES RUN					
MAY 3, 2002 FRIDAY	LOAD \$0 OBLIGATION CEILINGS FOR TYPE 02 AND 03 ACCOUNTS			ROLL FY2002 PCRS RULES TO FY2003 PEND STATUS		
MAY 4, 2002 SATURDAY				DEPARTMENTS START ENTERING AND SUBMITTING THEIR FY2003 PCRS RULES REQUESTS		
MAY 6, 2002 MONDAY PM	LOAD HOUSE 1 OBLIGATION CEILINGS FOR APPROPRIATION TYPE 01 AND 04 ACCOUNTS.					
MAY 8, 2002 WEDNESDAY		SHELL CREATION ROLL (SR, SC, AND LO)				
MAY 10, 2002 FRIDAY	EXPENDITURE CLASSIFICATION HANDBOOK RELEASED	EXPENDITURE CLASSIFICATION HANDBOOK RELEASED	EXPENDITURE CLASSIFICATION HANDBOOK RELEASED	EXPENDITURE CLASSIFICATION HANDBOOK RELEASED	EXPENDITURE CLASSIFICATION HANDBOOK RELEASED	EXPENDITURE CLASSIFICATION HANDBOOK RELEASED
MAY 13, 2002 MONDAY		FIRST DAY TO PRE- ENCUMBER, ENCUMBER (INCLUDING IEs) AND ALLOCATE FOR ISAs				

MAY/JUNE 2002

DATE	APPRO/ACCT MANAGEMENT	ENCUMBRANCE MANAGEMENT	DISBURSEMENT MANAGEMENT	PAYROLL MANAGEMENT	CASH AND REVENUE MANAGEMENT	GAAP, FIXED ASSETS AND SPECIAL HIGHER EDUCATION
MAY 16, 2002 THURSDAY	CFO CONFERENCE 9:00 A.M. – 5:00 P.M. FEDERAL RESERVE BANK	CFO CONFERENCE 9:00 A.M. – 5:00 P.M. FEDERAL RESERVE BANK	CFO CONFERENCE 9:00 A.M. – 5:00 P.M. FEDERAL RESERVE BANK	CFO CONFERENCE 9:00 A.M. – 5:00 P.M. FEDERAL RESERVE BANK	CFO CONFERENCE 9:00 A.M. – 5:00 P.M. FEDERAL RESERVE BANK	CFO CONFERENCE 9:00 A.M. – 5:00 P.M. FEDERAL RESERVE BANK
MAY 17, 2002 FRIDAY	CFO CONFERENCE 9:00 A.M. – 12 P.M. FEDERAL RESERVE BANK	CFO CONFERENCE 9:00 A.M. – 12 P.M. FEDERAL RESERVE BANK	CFO CONFERENCE 9:00 A.M. – 12 P.M. FEDERAL RESERVE BANK	CFO CONFERENCE 9:00 A.M. – 12 P.M. FEDERAL RESERVE BANK	CFO CONFERENCE 9:00 A.M. – 12 P.M. FEDERAL RESERVE BANK	CFO CONFERENCE 9:00 A.M. – 12 P.M. FEDERAL RESERVE BANK
MAY 28, 2002 TUESDAY					RECONCILE RPTS. 467A, 468A, 469A, 430A FOR MONTH OF APRIL (AVAILABLE ON VIEW DIRECT AND/OR DOCUMENT DIRECT)	
MAY 31, 2002 FRIDAY	FINAL DAY FOR PAYMENT REQUEST FORMS FOR PYD	FINAL DAY FOR FY2002 ENCUMBRANCES FOR BUDGETED FUNDS >\$25,000*				
JUNE 1, 2002 SATURDAY		PEND 2 APPROVAL NOW REQUIRED ON FY2002 LO, SC, SM, SR, PD, PG, PH AND PO TRANSACTIONS*	ALL FY2002 PAYMENTS MUST NOW REFERENCE ENCUMBRANCES			
JUNE 5, 2002 WEDNESDAY				PCRS FY2002 DEFAULTS ROLL TO FY2003		
JUNE 6, 2002 THURSDAY				DEPARTMENTS START MODIFYING PCRS FY2003 DEFAULT RECORDS		
JUNE 7, 2002 FRIDAY	BANK TABLE ROLLS INTO FY2003				ALL WRITE-OFF (WO) REQUESTS MUST BE SUBMITTED TO REVENUE BUREAU	
JUNE 14, 2002 FRIDAY		APPROVED CONTRACT AND LEASE ROLL (LO/SC ROLL) TARGET DATE FOR FINALIZING ROUTINE FY2002 ENCUMBRANCES				
JUNE 20, 2002 THURSDAY		HR/CMS, EMPAC & READY PYMNT CONTRACTS WITH START DATE OF 7/1/2002 DUE AT CTR		HR/CMS & EMPAC CONTRACTS WITH START DATE OF 7/1/2002 DUE AT CTR	RECONCILE RPTS. 467A, 468A, 469A, 430A FOR MONTH OF MAY	
JUNE 25, 2002 TUESDAY					FINAL DAY TO ENTER XEs ON PCRS	
JUNE 28, 2002 FRIDAY	IBDC TABLE ROLL INTO FY2003 FY2003 SIGNATURE AUTHORIZATION MUST BE ON FILE	LAST DAY TO SUBMIT FY2002 ENCUMBRANCE DOCUMENTATION TO CTR		DEADLINE FOR PH PROCESSING		

JUNE/JULY 2002

DATE	APPRO/ACCT MANAGEMENT	ENCUMBRANCE MANAGEMENT	DISBURSEMENT MANAGEMENT	PAYROLL MANAGEMENT	CASH AND REVENUE MANAGEMENT	GAAP, FIXED ASSETS AND SPECIAL HIGHER EDUCATION
JUNE 30, 2002 SUNDAY LAST BUSINESS DAY FOR FY2002	DEPT'S LAST BUSINESS DAY FOR FY2002 FY2002 IRREGULAR BALANCES MUST BE RESOLVED FOR NON-FEDERAL ACCOUNTS	DEPT'S LAST BUSINESS DAY FOR FY2002 ALL FY2002 GOODS AND SERVICES MUST BE RECEIVED FINAL DAY FOR ALL FY2002 ENCUMBRANCES DEADLINE FOR FY2002 CC & CM TRANSACTIONS TO BE IN DONE STATUS	DEPT'S LAST BUSINESS DAY FOR FY2002		DEPT'S LAST BUSINESS DAY FOR FY2002 FY2002 REVB TABLES ROLL	DEPT'S LAST BUSINESS DAY FOR FY2002 COMPLETION OF FY2002 FIXED ASSETS POSTING FINAL FC TRANSACTIONS TO CTR
JULY 2002	AFTER GAA APPROVAL PROVISIONAL OBLIGATION CEILINGS REMOVED; GAA LOADED. ON-SITE AUDITS CONTINUE	AFTER GAA APPROVAL PROVISIONAL OBLIGATION CEILINGS REMOVED; GAA LOADED. ON-SITE AUDITS CONTINUE	AFTER GAA APPROVAL PROVISIONAL OBLIGATION CEILINGS REMOVED; GAA LOADED. ON-SITE AUDITS CONTINUE	AFTER GAA APPROVAL PROVISIONAL OBLIGATION CEILINGS REMOVED; GAA LOADED. ON-SITE AUDITS CONTINUE	AFTER GAA APPROVAL PROVISIONAL OBLIGATION CEILINGS REMOVED; GAA LOADED. ON-SITE AUDITS CONTINUE	AFTER GAA APPROVAL PROVISIONAL OBLIGATION CEILINGS REMOVED; GAA LOADED. ON-SITE AUDITS CONTINUE
JULY 1, 2002 MONDAY FIRST BUSINESS DAY IN JULY		THE TOLERANCE FOR ALL ENCUMBS. WILL BE SET TO 0% FOR ACCTS. PAYABLE PAYMENTS.	ALL FY2002 PAYMENTS MUST REFERENCE AN ENCUMBRANCE IVs AND RFs REQUIRE PEND5 APPROVAL BEGIN FY2003 DISBURSEMENTS (INTERIM BUDGET OR GAA IS SIGNED)	LAST DAY TO ENTER TIME FOR SERVICES RENDERED JUNE 16,2002 THROUGH JUNE 29,2002	RE, RI, RD, WO, REQUIRE PEND5 APPROVAL	
JULY 1, 2002 MONDAY NOON					JUNE 30 TH COLLECTIONS MUST BE DEPOSITED AT THE BANK	
JULY 2, 2002 TUESDAY				JUNE 29,2002 PAY PERIOD PROCESSED	FINAL DAY TO ENTER CBs, ERs AND CTs ON MMARS	
JULY 3 or 5, 2002 FRIDAY	PERIOD 12 FRINGE, AND INDIRECT					
JULY 5,2002 FRIDAY				DEADLINE FOR CORRECTING FY2002 XD/XF TRANSACTIONS HR/CMS ADVICE AND CHECK DISTRIBUTION		
JULY 9,2002 TUESDAY	BF AND RS PROGRAM STARTS FOR TYPES 02, 03, 04					

JULY/AUGUST 2002

DATE	APPRO/ACCT MANAGEMENT	ENCUMBRANCE MANAGEMENT	DISBURSEMENT MANAGEMENT	PAYROLL MANAGEMENT	CASH AND REVENUE MANAGEMENT	GAAP, FIXED ASSETS AND SPECIAL HIGHER EDUCATION
JULY 10, 2002 WEDNESDAY	CLOSE PERIOD 12/2002 (FOR DEPARTMENTS)		RFs NO LONGER REQUIRE PEND5 APPROVAL	FY2002 XD/XF/PR/IF TRANSACTIONS ON HOLDING/SUSF FILES MUST BE CORRECTED	VERIFY ALL FY2002 AR,CB,ER HAVE BEEN APPROVED RE,RI,AND RD AND WO's NO LONGER REQUIRE PEND5 APPROVAL AS OF THE CLOSE OF ACCOUNTNIGN PERIOD 12	GAAP DISTRIBUTION #2
JULY 12, 2002 FRIDAY		FY2002 PRE- ENCUMBRANCE LAPSE	TARGET DATE FOR ACCOUNTING FOR FY2002 ADVANCES		FINAL DAY TO ENTER FY2002 RE, RI AND RDs	FINAL HMBENOOS AS OF 6-30-02 (AVAILABLE ON VIEW DIRECT AND/OR DOCUMENT DIRECT) FOR AUDIT
JULY 13, 2002 SATURDAY				1ST FY2003 PAY PERIOD END DATE (HR/CMS)		
JULY 15, 2002 MONDAY				LAST DAY FOR POSTING TIME AND ATTENDANCE FOR SERVICES RENDERED JUNE 30 THROUGH JULY 13, 2002		
JULY 16, 2002 TUESDAY				SPLIT WEEK PAYROLL PROCESSED		
JULY 19, 2002 FIRDAY				ALL FY2002 PAYROLL REJECT TRANSACTIONS AND PARYOLL ACCOUNTS WITH NEGATIVE UNCOMMITTED AND UNEXPECTED BALANCES MUST BE CORRECTED		
JULY 22, 2002 MONDAY				FIRST AUTOMATED IV RUN FOR MEDICARE, UI AND UHI CHARGEBACK FOR PAY PERIOD JULY 1-JULY 13		
JULY 29, 2002				LAST DAY TO ENTER AP PAYROL FOR PAYROLL RUN ON 7-30-02		
JULY 30, 2002 TUESDAY				1ST 2002 A/P PAYROLL RUN		
JULY 31, 2002 WEDNESDAY					RECONCILE REPTS 466C, 467A, 468A, 469A, 430A FOR THE MONTH OF JUNE	HIGHER EDUCATION COMPLETION OF FY2002 ACTIVITY THROUGH JUNE 30 TH
AUG UST 4, 2002 SUNDAY					FY2002 RECEIVABLE BALANCES ROLL TO THE FY2003 "PRIOR YEAR ACCRUED REVENUE" FIELD	

AUGUST/SEPTEMBER/OCTOBER/ 2002

DATE	APPRO/ACCT MANAGEMENT	ENCUMBRANCE MANAGEMENT	DISBURSEMENT MANAGEMENT	PAYROLL MANAGEMENT	CASH AND REVENUE MANAGEMENT	GAAP, FIXED ASSETS AND SPECIAL HIGHER EDUCATION
AUGUST 5, 2002 MONDAY						BASIC FY2002 DEPT GAAP PKGS DUE
AUGUST 12, 2002 MONDAY				LAST DAY TO ENTER AP PAYROLL FOR PAYROLL RUN ON 8-13-02		
AUGUST 13, 2002 TUESDAY				2 ND 2002 A/P PAYROLL RUN		
AUGUST 26, 2002 MONDAY				LAST DAY TO ENTER AP PAYROLL FOR PAYROLL RUN ON 8-27-02		
AUGUST 27, 2002 TUESDAY				3 RD AP (FINAL) PAYROLL		
AUG. 31, 2002 SATURDAY			FINAL FY2002 (NON-APEN) PYMNTS TO DONE STATUS ALL FY2002 ADVANCES MUST BE ACCOUNTED FOR			
SEPT. 1, 2002 SUNDAY		LAPSE FY2002 ENCUMBRANCES	IVs NO LONGER REQUIRE PEND5 APPROVAL	PH LAPSE		HIGHER ED PRELIMINARY 110H REPORT AVAILABLE ON VIEW DIRECT
SEPT. 1, 2002 TUESDAY		2 ND CC ROLL (MOVE FY2002 UNSPENT MONEY TO FY2003)				
SEPT. 5, 2002 THURSDAY		3 RD CC ROLL (LAPSE FY2002 UNSPEND MONEY TO FY2003)				
SEPT 6, 2002 FRIDAY			FINAL DATE FOR FY2002 EXs AND XAs			
SEPT. 11, 2002 WEDNESDAY	FY2002 IRREGULAR BALANCES MUST BE RESOLVED FOR FEDERAL GRANTS					
SEPT. 13, 2002 FRIDAY						HIGHER ED RPT 110H RECONCILIATIONS DUE - HIGHER ED FIXED ASSETS AND LEASE INFORMATION TO CTR - HIGHER ED STUDENT LOAN SUPPLEMENTAL REPORTING
SEPT. 15, 2002 SUNDAY			FINAL FY2002 (APEN) PAYMENTS TO DONE STATUS			
SEPT. 18, 2002 WEDNESDAY						FINAL 110 SERIES REPORT-DEPT. COPY-AVAILABLE ON VIEW DIRECT AND/OR DOCUMENT DIRECT

SEPTEMBER/OCTOBER/DECEMBER 2002

DATE	APPRO/ACCT MANAGEMENT	ENCUMBRANCE MANAGEMENT	DISBURSEMENT MANAGEMENT	PAYROLL MANAGEMENT	CASH AND REVENUE MANAGEMENT	GAAP, FIXED ASSETS AND SPECIAL HIGHER EDUCATION
SEPT. 30, 2002 MONDAY						FINAL RECONCILIATION OF HIGHER EDUCATION INTERNAL SYSTEMS TO MMARS
OCTOBER 15, 2002 TUESDAY						HIGHER ED AUDITED FINANCIAL STATEMENTS DUE
OCTOBER 31, 2002 THURSDAY						STATUTORY BASIS FINANCIAL REPORT ISSUANCE DATE
DECEMBER 31, 2002 TUESDAY						COMPREHENSIVE ANNUAL FINANCIAL REPORT ISSUANCE DATE REPORTS ON COMPLIANCE AND INTERNAL CONTROLS ISSUANCE DATE

APPENDIX B

PAYROLL KEY DATES

HR/CMS PAYROLL PROCESSING DUE DATES FOR FY2002/FY2003 CLOSING/OPENING

DATES

May 3, 2002	Friday	PCRS Rules Roll Review Error Report ID CTPC9C10 (PCRS18) Rules Rollover Error Report Departments start entering and submitting FY2003 PCRS Rules requests
June 5, 2002	Wednesday	PCRS Defaults Roll Verify Error Report ID CTPC9B20 (PCRS19) Initial FY Default Rollover (Errors Only) ID CTPC9B20 (PCRS20) PCRS Initial FY Default Rollover (ALL)
June 6, 2002	Thursday	Departments start modifying PCRS FY2003 default records
June 28, 2002	Friday	Final day for processing FY2002 payroll XE transactions in non-continuing accounts
June 28, 2002	Friday	Deadline for PH processing
July 1, 2002	Monday	Last day to enter time for services rendered June 16 th through June 29 th 2002.
July 5, 2002	Friday	Deadline for correcting FY2002 XD/XF transactions HR/CMS Advice and Check Distribution
July 13, 2002	Saturday	Final FY2002 Pay Period End Date
July 15, 2002	Monday	Last day for posting time and attendance for services rendered to June 30 th through July 13 th 2002.*
July 29, 2002	Monday	Last day to enter AP payroll for payroll run on 7/30/02
August 12, 2002	Monday	Last date to enter AP payroll for payroll run on 8/13/02
August 26, 2002	Monday	Last day to enter AP payroll for payroll run on 8/27/02

* This is split week include Sunday June 30, 2002 payroll charges for this day will be posted to FY 2002.